

2018/2019



# MAGARENG LOCAL MUNICIPALITY IDP REVIEW

Magrieta Prinsloo Street Warrenton 8530



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		<b>ACRONYMS</b>
<b>AEL</b>	-	Atmospheric Emissions Licence
<b>AFS</b>	-	Annual Financial Statements
<b>AG</b>	-	Auditor-General
<b>APPA</b>	-	Atmospheric Pollution Prevention Act
<b>CBO</b>	-	Community-based Organisation
<b>COGHST A</b>	-	Department of Cooperative Governance, Human Settlements & Traditional Affairs
<b>DBSA</b>	-	Development Bank of South Africa
<b>DEA</b>	-	Department of Environmental Affairs
<b>DENC</b>	-	Department of Environment and Nature Conservation
<b>DIGF</b>	-	District Inter-governmental Forum
<b>DMA</b>	-	District Management Area
<b>DORA</b>	-	Division of Revenue Act
<b>DWS</b>	-	Department Water and Sanitation
<b>EAP</b>	-	Employee Assistance Programme
<b>EIA</b>	-	Environmental Impact Assessment
<b>EPWP</b>	-	Expanded Public Works Project
<b>FBDM</b>	-	Frances Baard District Municipality
<b>FPA</b>	-	Fire Prevention Association
<b>GIS</b>	-	Geographic Information System
<b>GRAP</b>	-	Generally Recognised Accounting Practice
<b>HH</b>	-	Households
<b>ICT</b>	-	Information Communication Technology
<b>IDP</b>	-	Integrated Development Plan
<b>IGR</b>	-	Inter-Governmental Relations
<b>KPA</b>	-	Key Performance Area
<b>KPI</b>	-	Key Performance Indicator

<b>LED</b>	-	Local Economic Development
<b>LGSETA</b>	-	Local Government Sector Education & Training Authority
<b>MFMA</b>	-	Municipal Finance Management Act
<b>MIG</b>	-	Municipal Infrastructure Grant
<b>MOU</b>	-	Memorandum of Understanding
<b>MPAC</b>	-	Municipal Public Accounts Committee
<b>NCPA</b>	-	Northern Cape Provincial Association
<b>NGO</b>	-	Non-government Organisation
<b>NHBRC</b>	-	National Home Builders Registration Council
<b>NHNR</b>	-	National Housing Needs Register
<b>O&amp;M</b>	-	Operation and Maintenance
<b>PIGF</b>	-	Premier's Inter-governmental Forum
<b>PMS</b>	-	Performance Management System
<b>PMU</b>	-	Project Management Unit
<b>SALGA</b>	-	South African Local Government Association
<b>SETA</b>	-	Sector Education and Training Authority
<b>SDBIP</b>	-	Service Delivery & Budget Implementation Plan
<b>SDF</b>	-	Spatial Development Framework
<b>SLA</b>	-	Service Level Agreement
<b>SMME</b>	-	Small, Medium & Micro Enterprises
<b>TLB</b>	-	Tractor Loader Backhoe
<b>WSP</b>	-	Workplace Skills Plan
<b>WWTW</b>	-	Waste Water Treatment Works

## MAYOR FOREWORD



Integrated Development Plan plays a pivotal role in informing all planning processes of the other spheres of government (National and Provincial) as well as all state owned enterprises, which implies a dire need for joint and coordinated effort by these parties in the IDP development processes. The IDP was drawn up in consultation with community members, sector departments and Frances Baard District Municipality.

Our municipality still remains the coalface of service delivery of government, therefore it is our fiduciary responsibility to ensure continuous interaction with our communities, as mandated by South African Constitution, Act 108 of 1996 in order to create a better life for all and enhance the living conditions of the community and its members. We can proudly say that Magareng Local Municipality continues to work together with our communities in order to find sustainable and progressive way to fulfil their social, economic and developmental needs.

In terms of system Act 32 of 2000(chapter 5) the municipality is obliged to prepare a comprehensive document, which is the most important tool that we use to guide our planning; development and decision making process in a municipality. After the adoption of the IDP/Budget 2018/2019 the municipality will draft a Service Delivery and Budget Implementation Plan(SDBIP) guided by the plans from the 2018/2019 IDP Review. It is in the SDBIP where the municipality will break down the Budget and use the document to implement the IDP.

We hope and trust that the administration will implement the IDP/Budget accordingly and effectively. The council must do the oversight and hold the administration accountable for targets not met. We will continue to update our community about IDP progress and our intentions as a municipality through ward councillors; ward committees and imbizos. We urge our community to be patient with the council as some of the IDP projects will take some time before they complete especially the Upgrading of water treatment plant, Water supply in Warrenton and Upgrading of Low Voltage and Medium Voltage electrical lines.

I thank you.

.....  
**Honourable Bongile Mhaleni**  
**Mayor**



## EXECUTIVE SUMMARY

The Integrated Development Plan (IDP) is the principal strategic instrument of a municipality that gives effect to its developmental mandate as enshrined in the Constitution of South Africa. The external focus of an IDP is to identify and prioritize the most critical developmental challenges of the community whilst organizing internal governance and institutional structures in order to address those challenges. The IDP is a five year plan which clearly stipulates the vision, mission and strategic objectives of Council and is reviewed annually to adjust to the changing socio-economic, infrastructural and environmental dynamics and the needs of the communities. The IDP guides and informs all planning and development initiatives and forms the basis of the Medium Term Revenue & Expenditure Framework (MTREF) of Magareng Local Municipality. One of the key objectives of integrated development planning is to co-ordinate improved integration of programmes/projects across sectors and spheres of government in order to maximize the impact thereof on the livelihoods of the community.

It is essential to understand that development planning must be done beyond the 5 year horizon of the term of office of Council and that is why the IDP must be informed by long term planning. The IDP focuses on plans and implementation for the next 5 years against the backdrop of a long term development agenda. This agenda is mapped in the Spatial Development Framework (SDF) which provides the guidelines for a land use management system to achieve the long term strategic intentions. The MTREF budget must be informed by the IDP and linked to specific Service Delivery & Budget Implementation Plan (SDBIP) targets to ensure that development is done in a co-ordinated matter which works towards a longer term development agenda. It may thus be simplistically stated that the SDF is the mapping of the IDP and the budget reflects the IDP in numbers.

The Acting Municipal Manager together with the management and extended staff members will employ change management solutions to ensure that Magareng Local Municipality becomes an organisation that is citizen centric, responsive to the needs of the community and maintains a value for money approach. As a municipality we will strive to become financially sound, well governed and delivering on Local Governments service delivery mandate enshrined in the Constitution.

I would like to thank all the staff, the Mayor and Council for their dedication and contribution. Together we can do more!

.....

**Mrs Millicent Monyamane-Masuku**

**Acting Municipal Manager**

### **A. VISION STATEMENT**

Magareng shall be an effective, efficient, accountable and sustainable local municipality.

### **B. MISSION STATEMENT**

We intend to realize our vision through:

- Skills development and institutional capacity-building
- Continuous improvement on internal and external communication
- Strengthening the provision of integrated service delivery
- Striving towards service excellence and value driven Batho Pele principles service delivery
- Investing in modern equipment and technology for reliable service delivery
- Creating a conducive environment for business development

### **C. OUR VALUES:**

The Municipality has adopted values which underpin the image, decorum and culture of the organisation as it interacts with its residents. We intend to uphold the following values:

- Teamwork
- Timeliness
- Mutual Respect
- Professionalism
- Striving for excellence

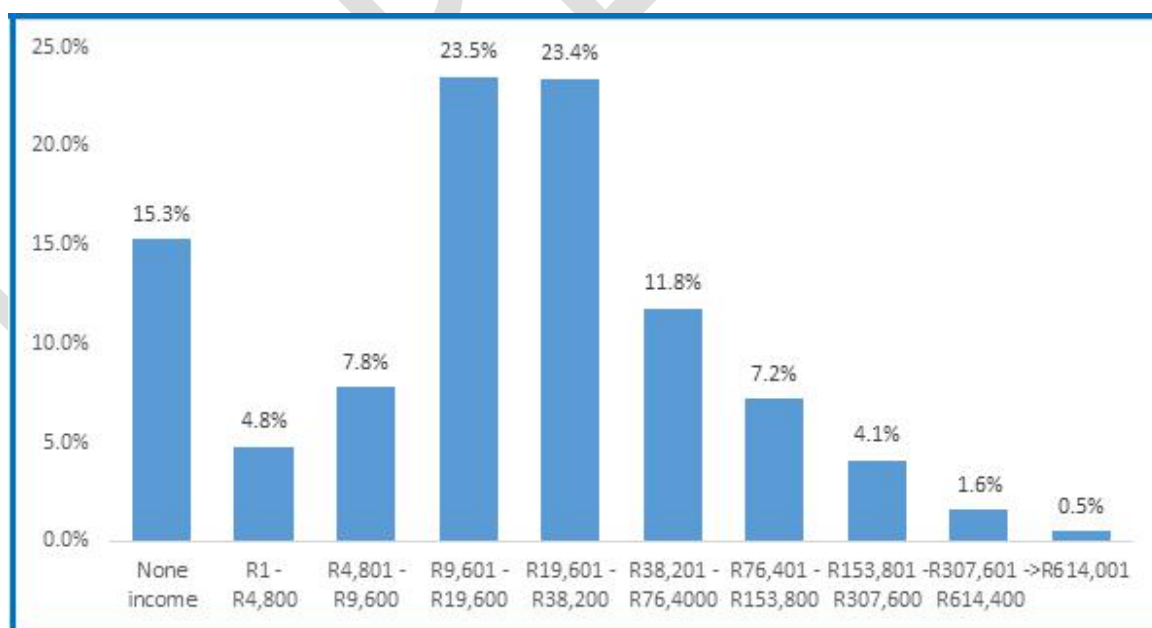
## D. Situation analysis-Demographic Profile of the Municipality

Warrenton, the administrative centre of Magareng Municipality, is situated approximately 75 km north of Kimberley on the banks of the Vaal River. The N12 national road between Kimberley and Christiana as well as the N18 route to Vryburg passes through the centre of Warrenton.

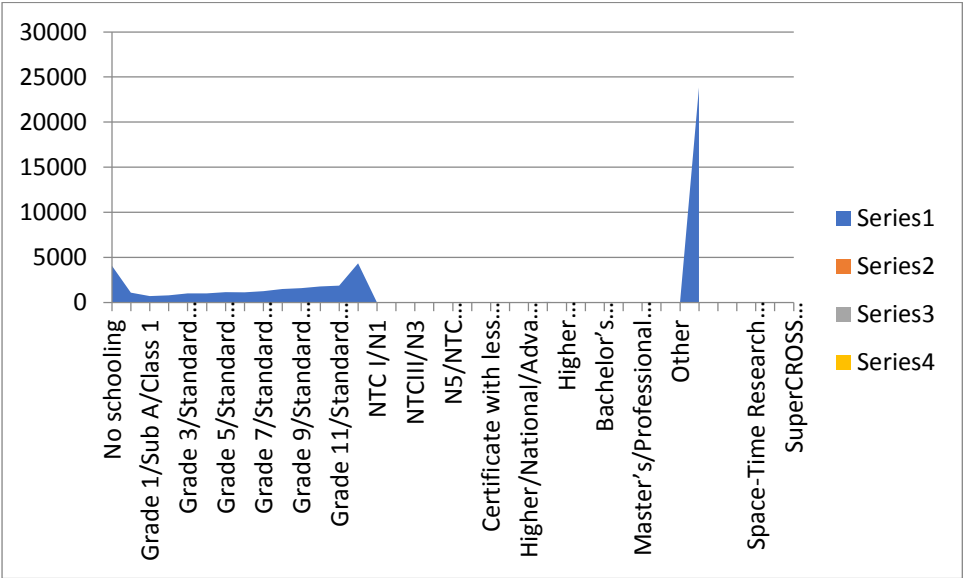
The Railway line, that connects Gauteng with the Northern and Western Cape Province, runs through Magareng Municipality with a railway station at Warrenton and Windsorton station. The railway line also connects the Northern Cape and North West Province. The municipal area comprises an urban node, villages and farms. The urban node consists of Warrenton, Warrenvale and Ikhutseng while small agricultural villages have been establish throughout the municipal area of which Bullhill, Fourteen Streams, Sydney's Hope, Windsorton Station, Moleko's Farm, Nazareth and Hartsvallei Farms are the most prominent.

The rest of the area comprises mainly mixed farming. The area of jurisdiction is approximately 1542 km<sup>2</sup> in extent and accommodates approximately 24,042 people (StatsSA – 2011). 72% of the total population is Black, 17, 5% Coloured while the White population represents only 10% of the total population. The Indian and Asian population is insignificantly small to impact on the proportional representation. The municipal area is divided into 5 wards. Wards 1 to 3 constitute Ikhutseng, the former Black residential area, while Warrenvale, the former Coloured residential area constitutes Ward 4. Ward 5 is made up of Warrenton town, which was previously a predominantly White area, and the surrounding rural areas.

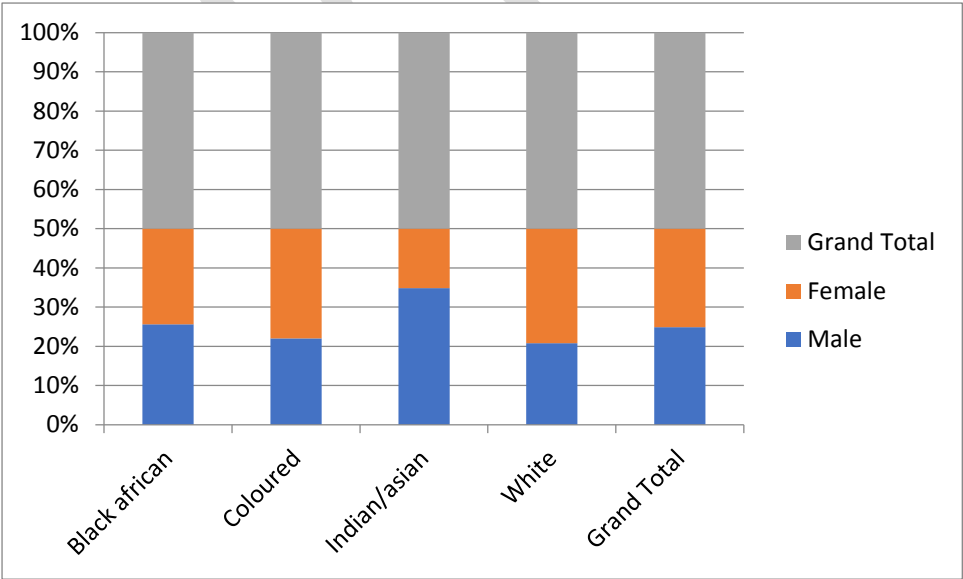
**Figure 6: Magareng Household income**



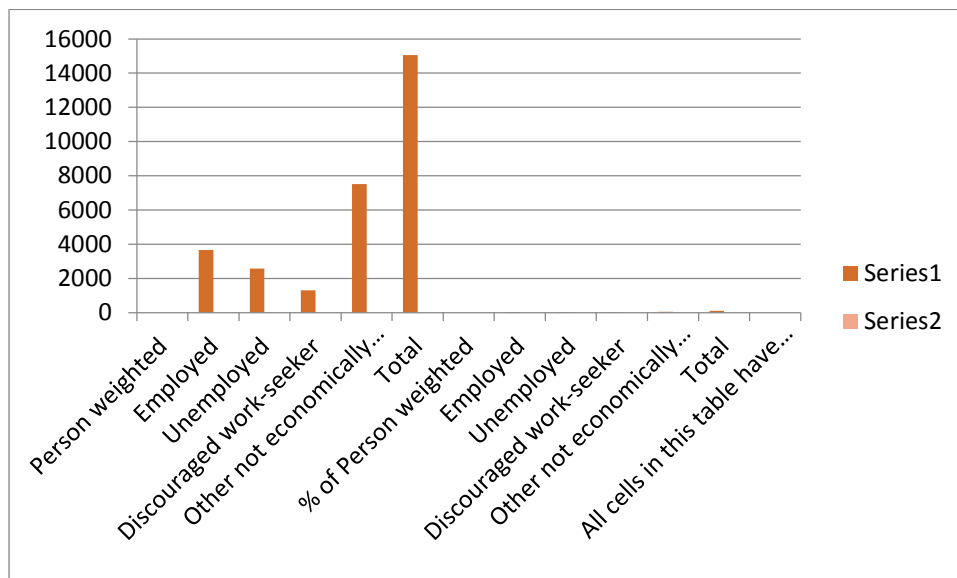
Statistics South Africa
Community Survey 2016
Table 1
Highest level of education
for Person Weight, NC093: Magareng



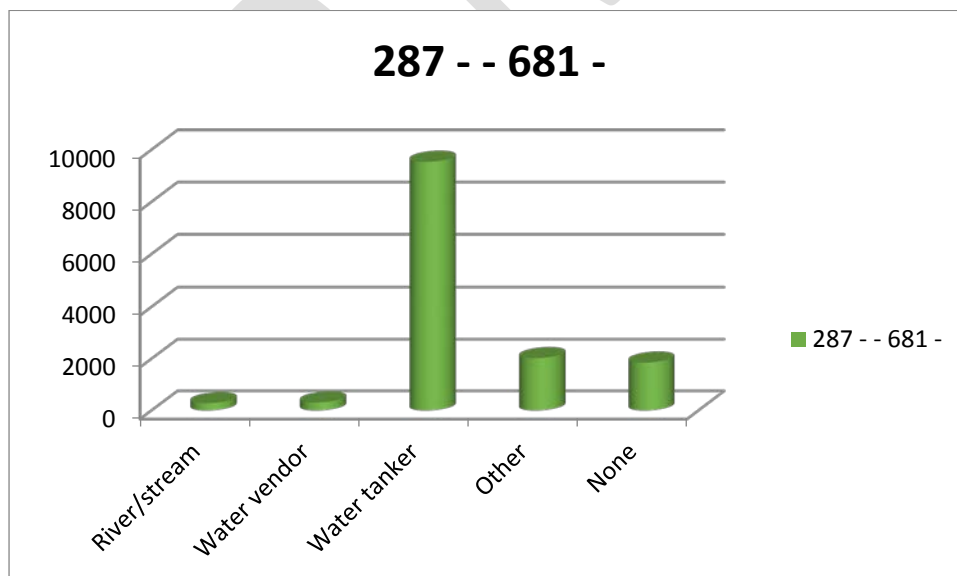
Column1	Column2	Column3
Statistics South Africa		
Community Survey 2016		
Table 1		
Population group by Sex		
for Person Weight, NC093: Magareng		



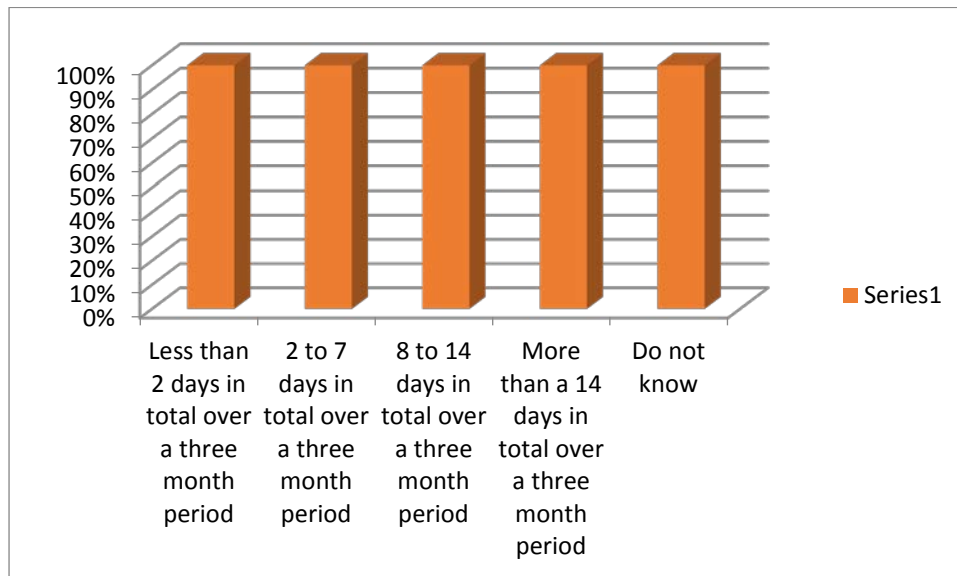
Statistics South Africa	Column1	Column2	Column3
Labour Force_Sub_Place			
Table 1			
Summation Options (Calculations) and Official employment status			
for NC093: Magareng			



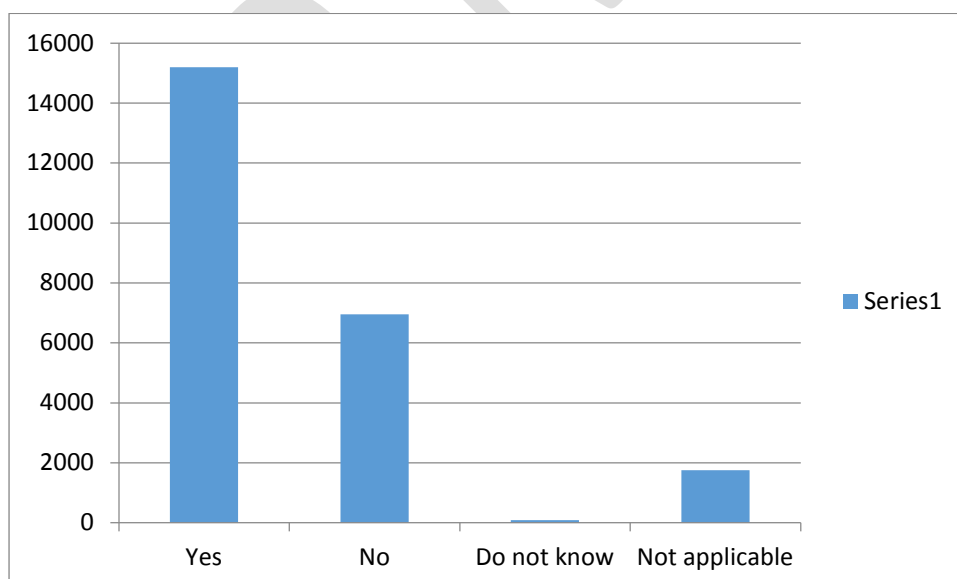
Statistics South Africa	Column1	Column2
Community Survey 2016		
Table 1		
Alternative water source during interruptions		
for Person Weight, NC093: Magareng		



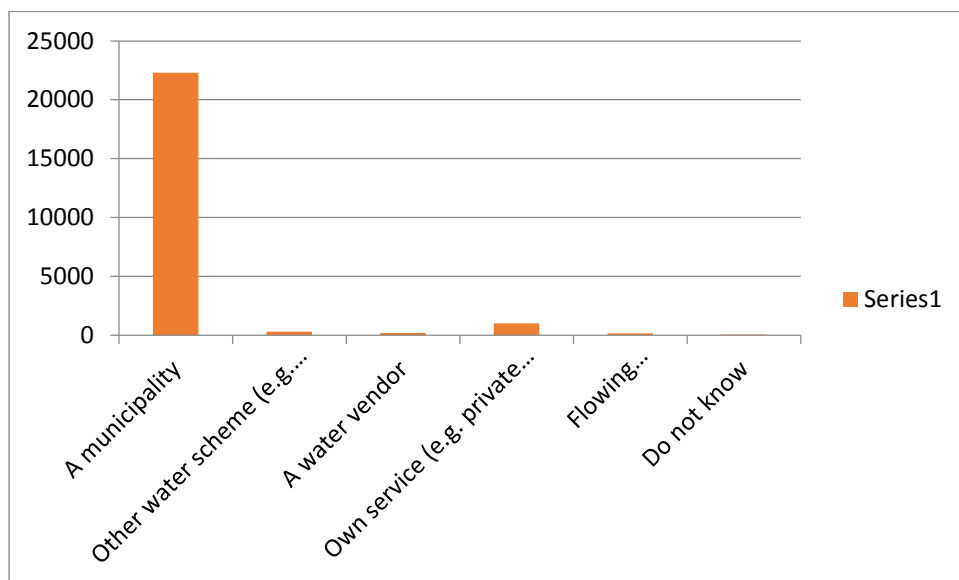
Statistics South Africa
Community Survey 2016
Table 1
How long the water interruption lasted
for Person Weight, NC093: Magareng



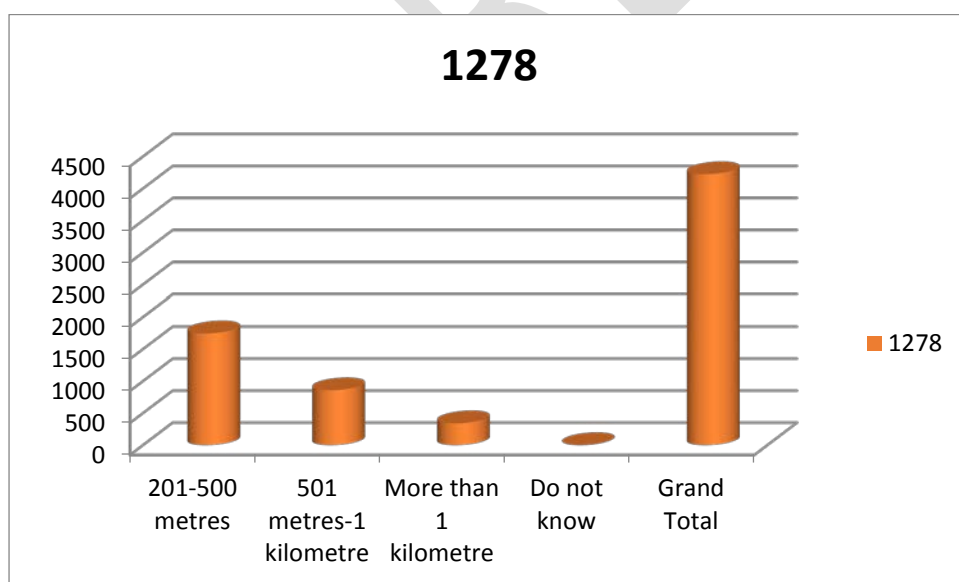
Statistics South Africa	Column1	Column2	Column3
Community Survey 2016			
Table 1			
Municipal water interruption in the past 3 months			
for Person Weight, NC093: Magareng			



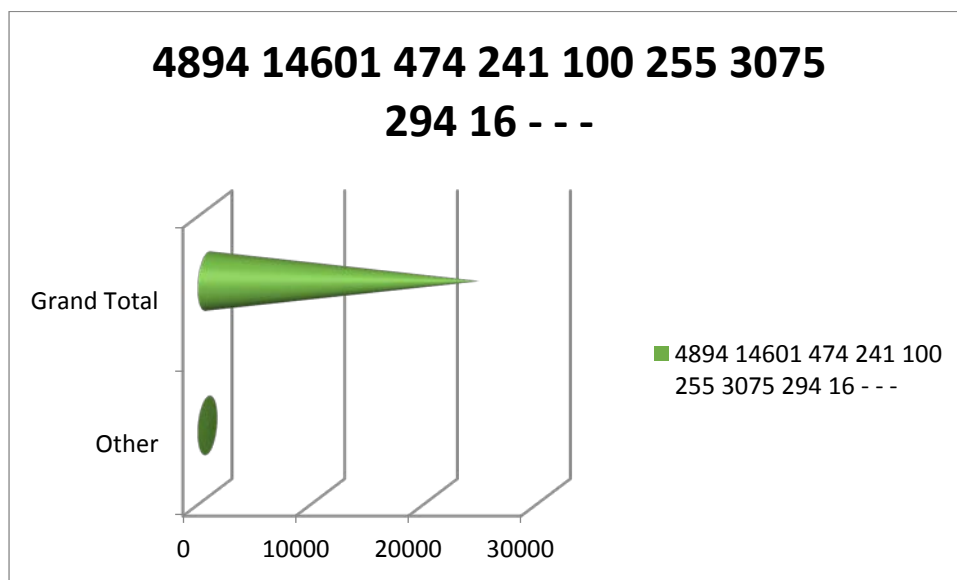
Statistics South Africa	Column1
Community Survey 2016	
Table 1	
Supplier of the main source of drinking water	
for Person Weight, NC093: Magareng	



Statistics South Africa	Column1	Column2
Community Survey 2016		
Table 1		
Distance to get main source of Water for drinking		
for Person Weight, NC093: Magareng		



Statistics South Africa
Community Survey 2016
Table 1
Main source of water for drinking
for Person Weight, NC093: Magareng





## E. HOUSEHOLD COMPOSITION

Magareng Local Municipality has a total of 6120 households with an average size of 4.0. This indicates that there is an average of 4 people per household. The majority of the household are headed by females, representing 41.7% of the population. Below is a table indicating the type and number of dwellings that exist in municipality (*Statistics SA: Municipal Fact Sheet, 2011*).

**TABLE2: DWELLING TYPE**

DWELLING TYPE	MAGARENG	DIKGATLONG	PHOKWANE	SOL PLAAATJIE	FRANCES BAARD	GRAND TOTAL
House or brick/concrete block structure on a separate stand or yard or on a farm	5061	9193	13938	44414	72607	145213
Flat or apartment in a block of flats	30	52	262	1569	1912	3824
Traditional dwelling/hut/structure made of traditional materials	36	169	211	184	599	1197
House/flat/room in backyard	44	50	261	940	1296	2591
Informal dwelling (shack; in backyard)	117	536	395	2532	3580	7160
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	626	1482	2029	7845	11982	23964
Room/flat on a property or larger dwelling/servants quarters/granny flat	7	8	21	317	354	707
Caravan/tent	1	15	27	77	120	241
Other	10	375	187	445	1019	2037
<b>Grand Total</b>	<b>5932</b>	<b>11881</b>	<b>17330</b>	<b>58325</b>	<b>93468</b>	<b>186935</b>

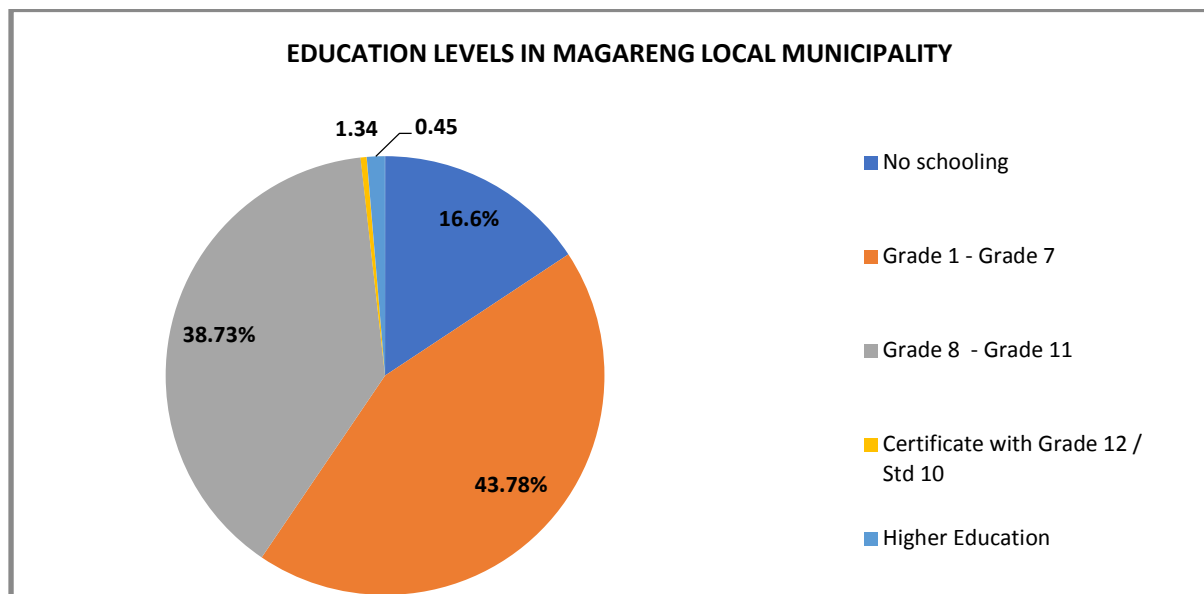
Source: Statistics SA, 2011

Magareng Local Municipality has only 5061 housing structures, which is the lowest as compared to the other local municipalities in the district. In addition the eradication of informal dwelling is the lowest in the district compared to other local municipalities.

## F. EDUCATION LEVEL

It is alarming to note that the municipal area is performing poorer than the average of the municipalities in the district in terms of literacy levels. The graph below indicates the education levels in the municipal area. In the municipal area only 17% of persons aged 20 years and older has no formal education while 18% has some primary education. 32% of this segment of the population in the municipality had some secondary qualification while 18% completed Grade 12. 7% of this proportion of the population had some higher education qualification.

**Figure 3: Education Levels**



*Source: Statistics SA, 2011*

## G. POWERS AND FUNCTIONS OF THE MUNICIPALITY

The MEC for Cooperative Governance and Traditional Affairs gave notice in terms of Section 12 of the Municipal Structures Act, No. 117 of 1998 in the Government Gazette for the establishment of Magareng Local Municipality in accordance with the Municipal Demarcation Act, No. 27 of 1998. Magareng is a category C with a plenary executive system.

### G.3. STRATEGY PHASE

Both the National and Provincial Government provide policy guidelines on handling service delivery issues/priority matters. The IDP representative forum assists the institution to formulate jointly objectives on all priority issues and means of attaining the goals set, the targeted matters must be in line with the vision of the Municipality, the same structure will ensure that a list of projects emanate from the strategy. During the 2017/2018 financial year, the municipality hosted Strategy Planning, Frances Baard District Municipality IDP Representative Forum and IDP community consultation meetings.

## **G.1. POWERS AND FUNCTIONS OF THE IDP**

Section 156 of the Constitution assigns executive authority to municipalities in respect of, and the right to administer the local government matter listed in Part B of Schedule 4 and Part B of Schedule 5 and any other matter assigned to it by national or provincial government.

The following functions and powers of the District Municipality have been authorized to Magareng Local Municipality by the Minister of Provincial and Local Government in terms of Notice 807 of 13 June 2003 published in Government Gazette No 25076:

The following functions and powers of the District Municipality have been authorized to Magareng Local Municipality by the MEC for Local Government and Housing in terms of Provincial Notice 27 of 10 July 2003 to execute from 1 August 2003

In terms of the latter notice, the following Local Municipality functions will be performed by the District Municipality on behalf of the local municipality.

In addition to the above, the following exclusive Local Municipality functions will be performed by the local municipality. However, due to limited capacity, some of these functions may be performed by another service provider on behalf of the local municipality. The municipality is therefore obliged to enter into service level agreements (except for those functions authorized in terms of the above notices) with these service agents in order to ensure that these functions are performed on their behalf:

## Chapter 1-Introduction

Warrenton, the administrative centre of Magareng Municipality, is situated approximately 75 km north of Kimberley on the banks of the Vaal River. The N12 national road between Kimberley and Christiana as well as the N18 route to Vryburg passes through the centre of Warrenton.

The Railway line, that connects Gauteng with the Northern and Western Cape Province, runs through Magareng Municipality with a railway station at Warrenton and Windsorton station. The railway line also connects the Northern Cape and North West Province. The municipal area comprises an urban node, villages and farms. The urban node consists of Warrenton, Warrenvale and Ikhutseng while small agricultural villages have been established throughout the municipal area of which Bullhill, Fourteen Streams, Sydney's Hope, Windsorton Station, Moleko's Farm, Nazareth and Hartsvallei Farms are the most prominent.

The rest of the area comprises mainly mixed farming. The area of jurisdiction is approximately 1542 km<sup>2</sup> in extent and accommodates approximately 24,042 people (StatsSA – 2011). 72% of the total population is Black, 17, 5% Coloured while the White population represents only 10% of the total population. The Indian and Asian population is insignificantly small to impact on the proportional representation. The municipal area is divided into 5 wards. Wards 1 to 3 constitute Ikhutseng, the former Black residential area, while Warrenvale, the former Coloured residential area constitutes Ward 4. Ward 5 is made up of Warrenton town, which was previously a predominantly White area, and the surrounding rural areas.

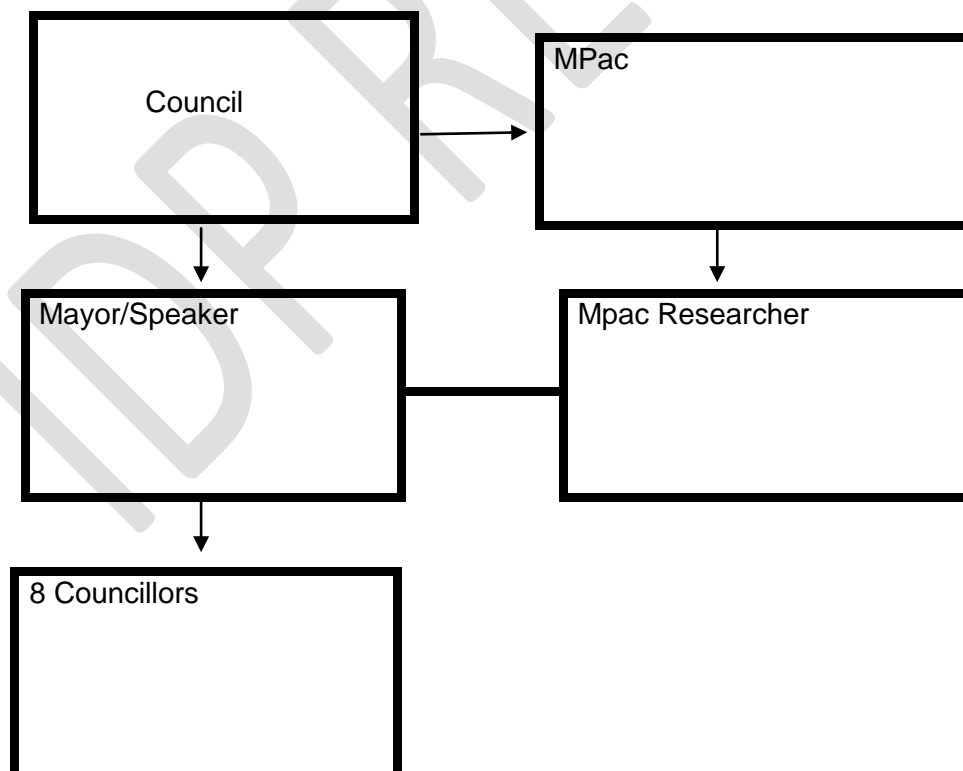
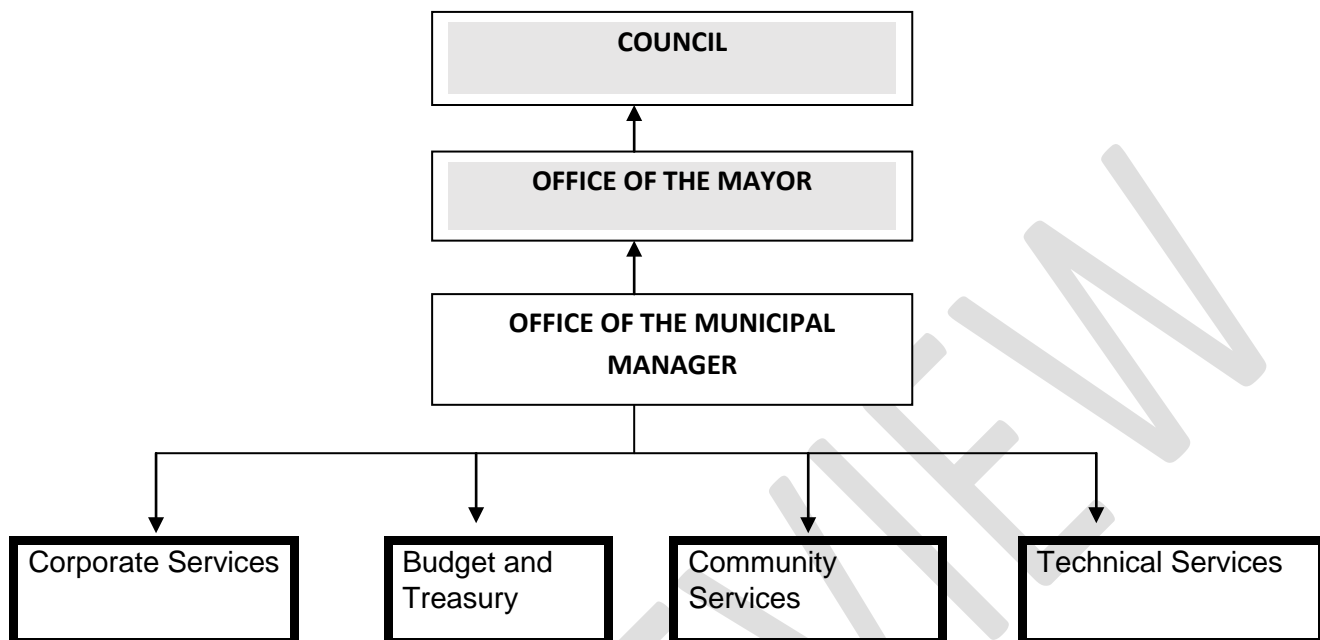
Magareng Local Municipality's five-year Integrated Development Plan (IDP) represents the overarching strategic framework within which the municipality aims to realize its vision for Magareng by building on the strategic objectives as set out by Council. These strategic objectives will inform all of the municipality's plans and policies, and this document is structured to offer a clear view of the objectives, strategies and development priorities of Council. While this IDP is Magareng Local Municipality's main planning document, it draws on, and is informed by a large number of other plans and strategic frameworks developed by the other spheres of government and the various municipal departments. The 4<sup>th</sup> Generation IDP serves as a road map for Council to determine its short, medium and long term destination and also incorporates indicators to constantly monitor and evaluate our progress. Magareng Local Municipality's Integrated Development Plan (IDP) provides the strategic framework that guides the municipality's planning and budgeting over the course of each political term. This enables the 4<sup>th</sup> generation IDP process to achieve continuity in the development agenda.

This 5 year IDP aims to:

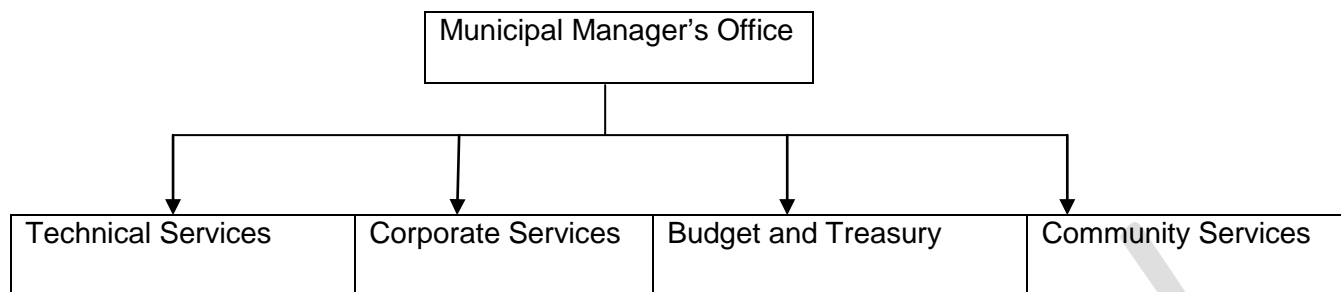
- Build on the long term developmental, consolidated strategies of all component documents, such as sector plans and various master plans;
- Include plans per ward to address the needs of specific wards/areas and seek targeted investment from government and other resources to address inequalities and the needs of the local community;
- Serve as a framework for the municipality to prioritize its actions in order to address urgent needs, while ensuring that the existing economic, municipal and social infrastructure are maintained;
- Serve as a tool to ensure the integration of the municipality's activities with other spheres of government ;and
- Be owned by the community, political leadership and the municipal administration to ensure implementation of the municipal strategy

## 1.2. STATUS QUO ASSESSMENT

### 1.2.1. Political structures and political office bearers



### 1.2.2. Administrative structures



### 1.2.3. SWOT Analysis

#### 1.2.3. The municipality's Strengths, Weaknesses, Opportunities and Threats

#### SWOT Analysis

Strengths		Weaknesses	
<ul style="list-style-type: none"> <li>Road maintenance</li> <li>Job creation</li> <li>Good policy implementation &amp; strategy</li> <li>Geographic location</li> </ul>	<ul style="list-style-type: none"> <li>Operations &amp; maintenance (ward services)</li> <li>full staff compliment</li> <li>Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Office space</li> <li>Lack of communication between Departments</li> <li>Lack of human capital</li> <li>Limited resources</li> </ul>	<ul style="list-style-type: none"> <li>High Unemployment rate</li> <li>Revenue collection</li> <li>Organogram</li> <li>Overtime</li> </ul>
Opportunities		Threats	
<ul style="list-style-type: none"> <li>N12 Treasure route</li> <li>N18 Western Frontier</li> <li>Golf course</li> <li>Land</li> <li>Policy Implementation</li> </ul>	<ul style="list-style-type: none"> <li>Young workforce</li> <li>Commercial farming</li> <li>National corridors &amp; rail infrastructure</li> <li>Infrastructure development</li> </ul>	<ul style="list-style-type: none"> <li>Skills retention</li> <li>Disaster management</li> <li>Bulk water supply</li> <li>Bulk sanitation infrastructure</li> <li>Funding ceiling</li> </ul>	<ul style="list-style-type: none"> <li>Political unrest</li> <li>Increasing unemployment rate</li> <li>Possibility of section 139</li> <li>High rate of crime</li> </ul>

## **INTEGRATED DEVELOPMENT PLANNING IN ACTION**

Integrated Development Planning is an elaborate and collaborative planning process which produces a strategic plan designed to guide municipalities and their entities to systematically eradicate service delivery backlogs; encourage socio-economic development; preserve and conserve the natural environment; address spatial disparities of development and deliver on the agreed priorities which are translated into projects with clearly defined outputs and targets within a five year planning cycle.

### **IDP PROCESS**

The IDP has been developed with maximum participation from all relevant stakeholders which range from Councillors, community consultation and the administration. The preparation of the IDP started with the approval of the process plan as required in terms of Section 28 of the Local Government: Municipal Systems Act (32 of 2000) on date per resolution number. It sets out the logistical planning and co-ordination to ensure an effective and efficient planning process in accordance with the approved schedule. It is important to bear in mind that the end result of the IDP process is not the drafting of the IDP document, but the actual implementation of projects and programmes which will ultimately create a conducive environment to improve the livelihoods of people in the Magareng Local Municipality. The illustration below describes the processes followed in preparing and drafting of the 4<sup>th</sup> Generation IDP of Magareng Local Municipality.

### **LEGISLATIVE FRAMEWORK**

Section 25(1) of the Local Government: Municipal Systems Act (Act 32 of 2000):

Each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, all-inclusive and strategic plan for the development of the municipality which:

- a) Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality
- b) Aligns the resources and capacity of the municipality with the implementation plan
- c) Complies with the provisions of this Chapter; and
- d) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

Section 26 of the MSA regulates the following core components that must be reflected in a municipality's IDP:

- a) The Council's vision for the long term development of the municipality with special emphasis on the most critical development and internal transformation needs
- b) An assessment of the existing level of development in the municipality, which must include and identification of communities which do not have access to basic municipal services

- c) The Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs
- d) The Council's development strategies which must be aligned with any national and provincial sectoral plans and planning requirements bidding on the municipality in terms of legislation
- e) A Spatial Development Framework(SDF) which must include the provision of basic guidelines for a land use management system for the municipality
- f) The Council's operational strategies;
- g) Applicable Disaster Management Plans
- h) A financial plan, which must include a budget projection for at least the next three years; and the key performance indicators and performance targets determined in terms of Section 41 of the MSA

## **THE IDP FRAMEWORK**

Section 27(1) requires each district municipality to consult all local municipalities in the district before developing and adopting the IDP framework for the district. In accordance with the provision of section 27(2) of the Municipal Systems Act 2000 the IDP framework binds both the district and the local municipalities. The IDP framework outlines the parameters within which Integrated Development Plan is prepared.

Chapter V of the Municipal Systems Act (32) of 2000 requires all municipalities to prepare Integrated Development Plan as a strategic tool to manage the affairs of the municipality. Integrated Development Plan is a legislative requirement, it has a legal status and it supersedes all other plans that guide development at local government level. (DPLG 2001:4)

The concept of Integrated Development Planning has its roots from the United Nation Conference on Environment and Development held in Rio de Janeiro in 1992. The Rio-Conference adopted Agenda 21 as a blue print for sustainable development. All member states were called upon to implement Agenda 21 by developing locally tailored-Agenda 21 called Local Agenda 21. South Africa embraced the principles of Agenda 21 in developing Integrated Development Plans; thus rendering IDP's – a Local Agenda 21 for South Africa. Consequently Agenda 21 principles are embedded in the Constitution of South Africa and in many other pieces of legislation of the land. However Integrated Development Plans are aligned to many other International conventions, Regional commitments, National and Provincial commitments and priorities.



## **G.2 PROCESS FOLLOWED TO DEVELOP THE IDP**

The IDP for Magareng has endeavoured to encapsulate the principles outlined in Chapter 5 of the Municipal Structures Act, 32 of 2000 and has followed the following process in accordance with Sect. 29 of the same Act.

Consultative Forums and mechanisms for Community Participation used by the Magareng Local Municipality:

1. Ward Consultative meetings
  2. Ward Committees and stakeholders
  3. Community Development Workers
  4. Imbizos
- Sector Department's consultation

## **G.4. PROJECTS PHASE**

The IDP representative forum must resolve on the following project proposal i.e. objectives, outputs, location, activities, timing, responsibility and funding. The projects that were conceptualized will be seen at the project log frames later in the document. It was also expected of other service agents and other spheres of government to make presentations on the initiatives they will undertake in the area.

## **G.5. INTEGRATION PHASE**

The IDP representative forum must resolve on the following i.e. integrated institutional programme, consider the following sector plan. Multi Year Financial Plan, Spatial Development Framework, Local Economic Development Plan, Performance Management Plan, Integrated Transport Plan, Environmental Management Framework, Community Health Plan, National Development Plan.

The first step was to identify targets and budgets for each of the outputs (projects) that were proposed in the previous phase. Municipal officials will have to drive the process of implementation of the IDP.

It was felt that they had to agree to these Key Performance Indicators that will determine the predetermined outcomes at the end of the day. It was for this reason that the process was all inclusive and consultative with sector Departments to complete the action plans.

## **G.6. APPROVAL PHASE**

- ❖ Municipal budget and reporting regulations GN 393 of 17 April 2009 as per the requirements of section 18 of the Municipal budget and reporting regulations GN 393 of 17 April 2009:18. Publication of approved annual budgets.—(1) Within ten working days after the municipal
- ❖ MSA section. 25(4)(a) and (b), the municipality must publish the summaries and make public notice informing the public about the adoption of the integrated development plan

## **Municipal planning and strategic policy alignment**

Magareng Local Municipality is not an island and must ensure a co-ordinated strategic relationship with other spheres of government and that is why Magareng's IDP must be aligned to other key planning and policy instruments from the national, provincial and district government levels. The IDP process provides an effective platform to strengthen such strategic alignment which gives effect to the undermentioned legislation:

In terms of section 24 of the Municipal Systems Act –

- (1) The planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in section 41 of the Constitution.
- (2) Municipalities must participate in national and provincial development programmes as required in section 153(b) of the Constitution.

Magareng Local Municipality to align its strategic objectives with national and provincial development policies, strategies and programmes, in order to ensure that our combined resources are directed at the effective implementation of the IDP

The Integrated Development Planning (IDP) approach of Magareng Local Municipality aspires to align with the following policy and strategic frameworks:

#### International Plans

On 25 September 2015 the United Nations adopted a new development agenda aimed at facilitating the reduction of worldwide poverty, improved prosperity and economic development and at the same time ensuring the conservation of the natural resources of the planet. The SDG have been developed to build on the global impact of the Millennium Development Goals which targets were set for 2015. The following infographic illustrates the sustainable development goals with specific targets to be reached by 2030:

#### INTERNATIONAL POLICIES

- Agenda 21-UN Conference on Environment and Development (Earth Summit)
- Habitat Agenda-UN Conference on Human Settlement (Habitat II)
- World Summit on Sustainable Development (WSSD) 2000
- Copenhagen 15- World Summit on Climate Change 2009



## National Plans

### National Development Plan (NDP)

The NDP is seen as a guiding document for South Africa. It was released in 2011 and is positioned as a blueprint for tackling South Africa's challenges. In 2012, Cabinet adopted the NDP as a long-term vision and plan for the country. NDP aims: The NDP aims to eliminate poverty and reduce inequality by 2030. According to the NDP executive summary: "South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society."

#### NPC Diagnostic Report challenges

Too few people work

The quality of school education for black people is poor

Infrastructure is poorly located, inadequate and under-

Maintained

Spatial divides hobble inclusive development

The economy is unsustainably resource intensive

The public health system cannot meet demand or sustain

Quality

Public services are uneven and often of poor quality

#### Summary of NDP 2011 actions

An economy that will create more jobs

Improving the quality of education, training and innovation

Reversing the spatial effects of apartheid

Transition to a low-carbon economy

Quality healthcare for all

Reforming the public service

Corruption levels are high

South Africa remains a divided society

Fighting corruption

Transforming society and uniting the country

An inclusive and integrated rural economy

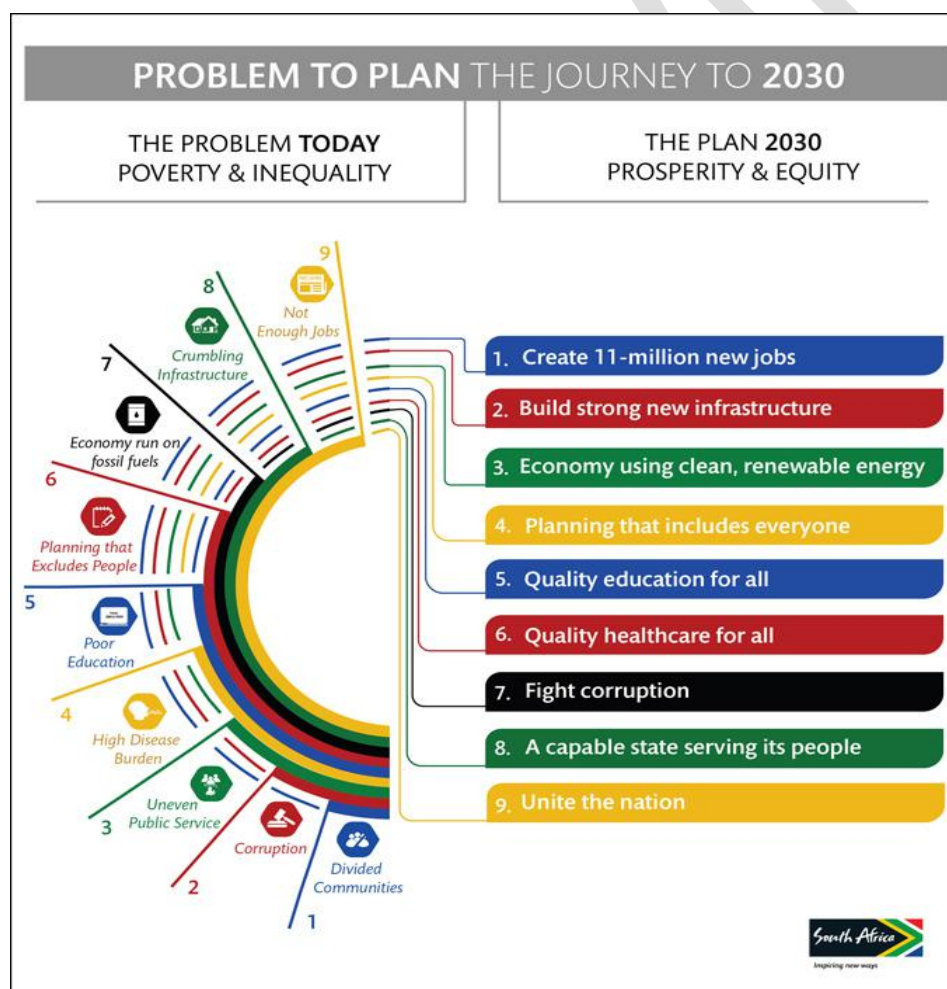
Social protection

Building safer communities

The NDP positioned the following as key ingredients for success:

- The active efforts of all South Africans
- Growth, investment and employment
- Rising standards of education and a healthy population
- An effective and capable government
- Collaboration between the private and public sectors
- Leadership from all sectors of society

**Challenges and actions have since been updated:**



## **The Medium Term Strategic Framework (2014-2019)**

This Medium Term Strategic Framework (MTSF) is Government's strategic plan for the 2014-2019 electoral terms. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local government.

### **National Spatial Development Perspective (NSDP):**

"The NSDP is a critical tool for bringing about coordinated government action and alignment to meet social, economic and environmental goals. It is the basis for maximizing the overall social and economic impact of government development spending by interpreting the strategic direction, promoting policy coordination and fitting government actions into a coherent spatial term of reference."

### **Intergovernmental Relations Framework**

To establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations; to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and to provide for matters connected therewith.

### **Provincial Plans**

- The Northern Cape Provincial Growth and Development Strategy (NCPGDS)- Reviewed

#### **Provincial Growth and Development Strategy (PGDS)**

The core purpose of the NCPGDS is to enable stakeholders from public, private and parastatal sectors together with labour and civil society to determine a plan for sustainable growth and development of the Northern Cape. The NCPGDS sets the tone for development planning and outlines the strategic planning direction in the province.

#### **Provincial Spatial Development Framework:**

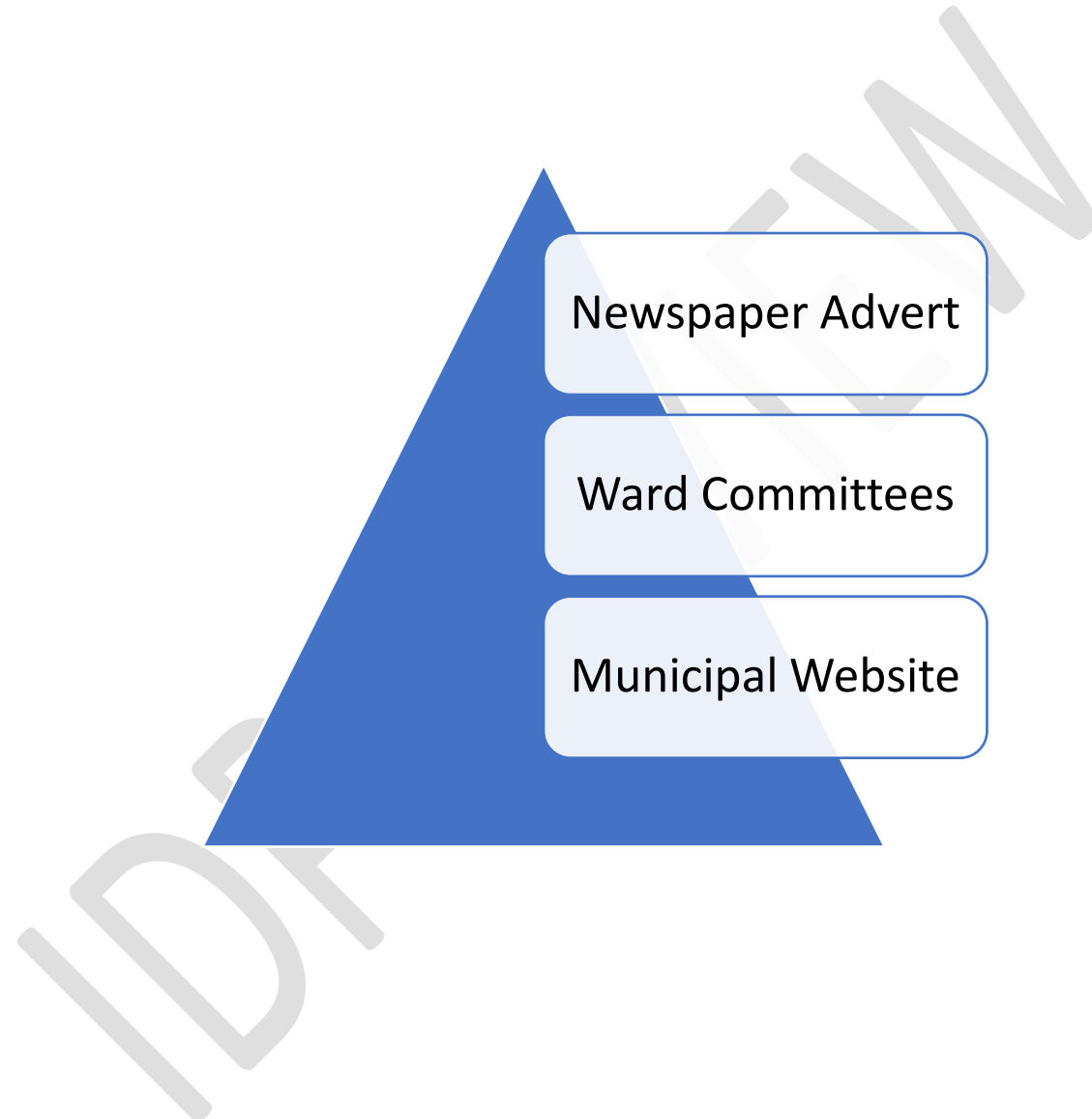
The PSDF is a policy document that promotes a 'developmental state' in accordance with national and provincial legislation and directives. It aligns with the Northern Cape Provincial Growth and Development Strategy which has committed the Northern Cape to 'building a prosperous, sustainable and growing provincial economy which reduces poverty and improves social development'. Northern Cape Spatial Development Framework was completed on 31 July 2012.

## District Plans

### **The Frances Baard District Municipal Growth and Development Strategy (FBDMGDS)**

The Frances Baard District Growth and Development Strategy was prepared and finalized in 2014 and adopted by Council on 23 March 2015.

#### **G.7. PUBLICATION OF THE IDP AND COMMUNITY PARTICIPATION**



## Public Participation Meeting

<b>NOTICE: MAGARENG LOCAL MUNICIPALITY IDP PUBLIC PARTICIPATION MEETINGS</b>
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**It is against the above that Magareng Local Municipality will be embarking on a series of Public Participation Meeting scheduled as follows:**

DATE	WARD NUMBER	TYPE	MEETING	VENUE
13/02/2018	WARD 1	IDP PUBLIC PARTICIPATION MEETING	14H00	MOGOMOTSI HIGH SCHOOL
14/02/2018	WARD 2	IDP PUBLIC PARTICIPATION MEETING	17H00	TLHATLOGANG PRIMARY SCHOOL
15/02/2018	WARD 3	IDP PUBLIC PARTICIPATION MEETING	17H00	ROLIHLAHLA PRIMARY SCHOOL
18/02/2018	WARD 5	IDP PUBLIC PARTICIPATION MEETING	14H00	MAGARENG COUNCIL CHAMBER
19/02/2018	WARD 4	IDP PUBLIC PARTICIPATION MEETING	17H00	WARRENVALE COMMUNITY HALL

### Magareng IDP Public Consultation Advert 2018/2019

Ward Meeting	Attendances	Date
<b>Ward 1</b>	125 community members	20 February 2018
<b>Ward 2</b>	43 community members	27 February 2018
<b>Ward 3</b>	42 community members	20 February 2018
<b>Ward 4</b>	119 community members	22 February 2018
<b>Ward 5</b>	43 community members	17 May 2018

## **G.8. FINAL APPROVAL AND ADOPTION OF IDP**

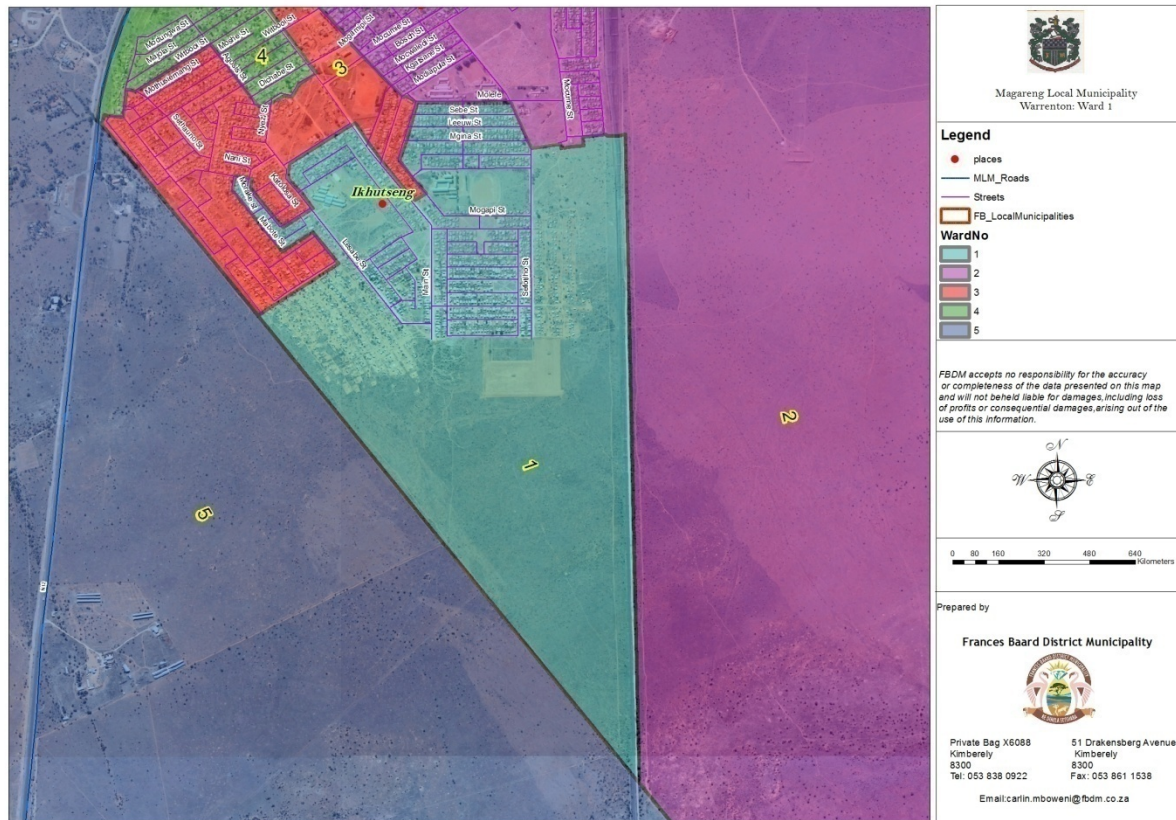
<b>31 March</b>
<b>Draft IDP/Budget must be adopted before the 31 March</b>
<b>The draft IDP/Budget summaries must be published and be available to community</b>
<b>The IDP must be send to MEC of Coghta for assessment and the MEC must give the municipality an acknowledgement letter</b>
<b>Send the IDP to sector departments for assessment</b>
<b>31 May</b>
<b>The final IDP/Budget must be adopted before the 31 May</b>



## 1.4. Ward Programme System

### GEOGRAPHICAL INFORMATION SYSTEM (GIS) OF MAGARENG LOCAL MUNICIPALITY

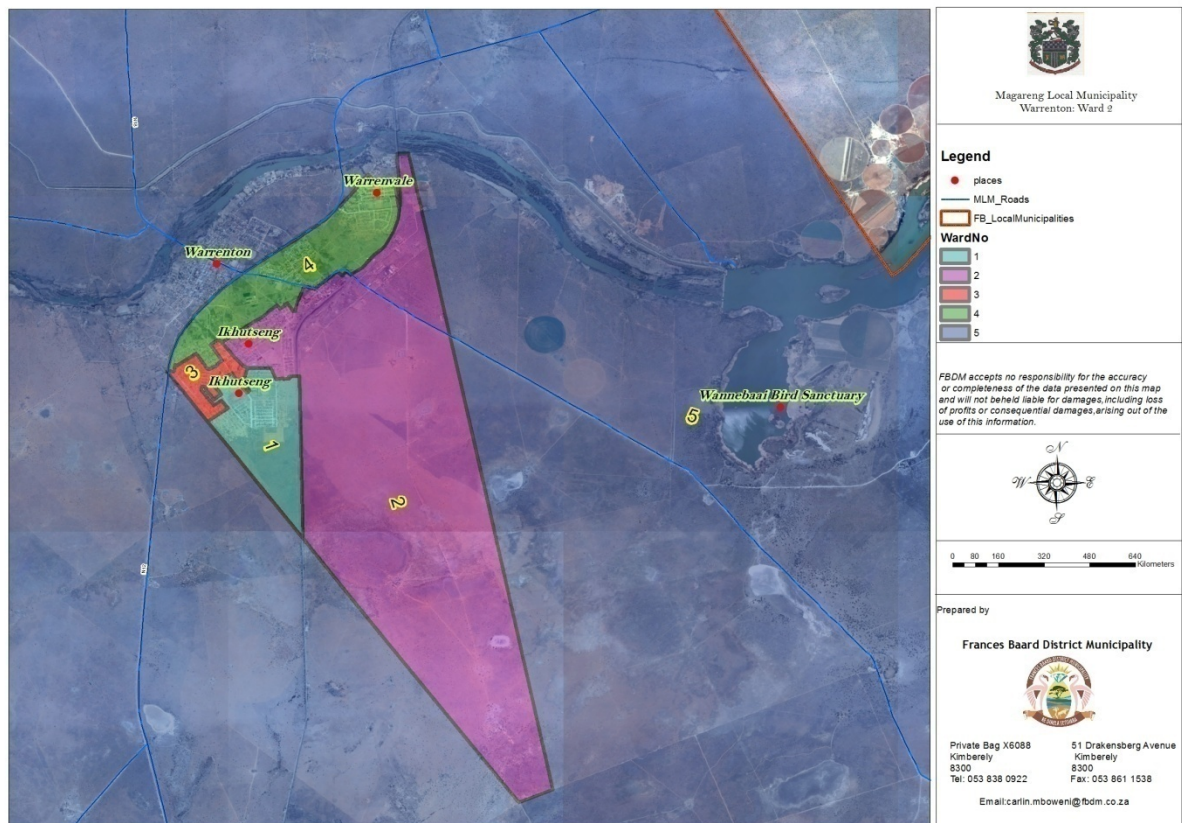
<b>Ward</b>	1
<b>Councillor</b>	Mr Thapelo Mokola
<b>Ward Committee Members</b>	10



**Ward 1    Priority List 2018/2019**

1. Land Development	8. Transportation of Students to Kimberley
2. Education (High School & College)	
3. Sanitation	
4. Cemetery	
5. By-Laws	
6. Title deeds	
7. Apprenticeship	

<b>Ward</b>	2
<b>Councillor</b>	<b>Mr Freddie Kgosietsile George</b>
<b>Ward Committee Members</b>	10

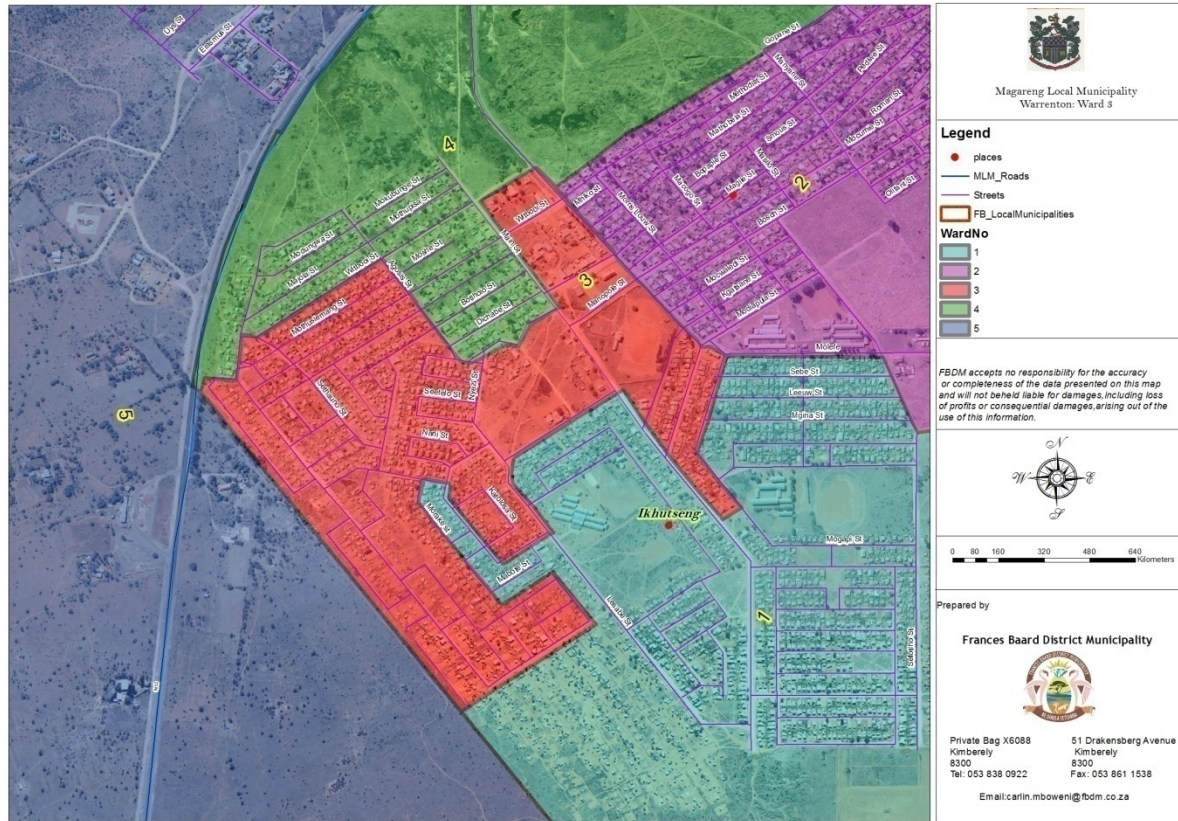


## Ward 2 Priority List 2018/2019

1. Unemployment	8. LED	15. Orphanage Homes
2. Water and Sanitation	9. Roads	16. Library
3. Housing	10. Safety	17. Arts and Culture
4. Parks and Recreation	11. Cemetery	18. Agriculture
5. Youth Development	12. Land Development	
6. High Mast Lights	13. Environment	
7. Sports Facilities	14. Health (Hospital)	



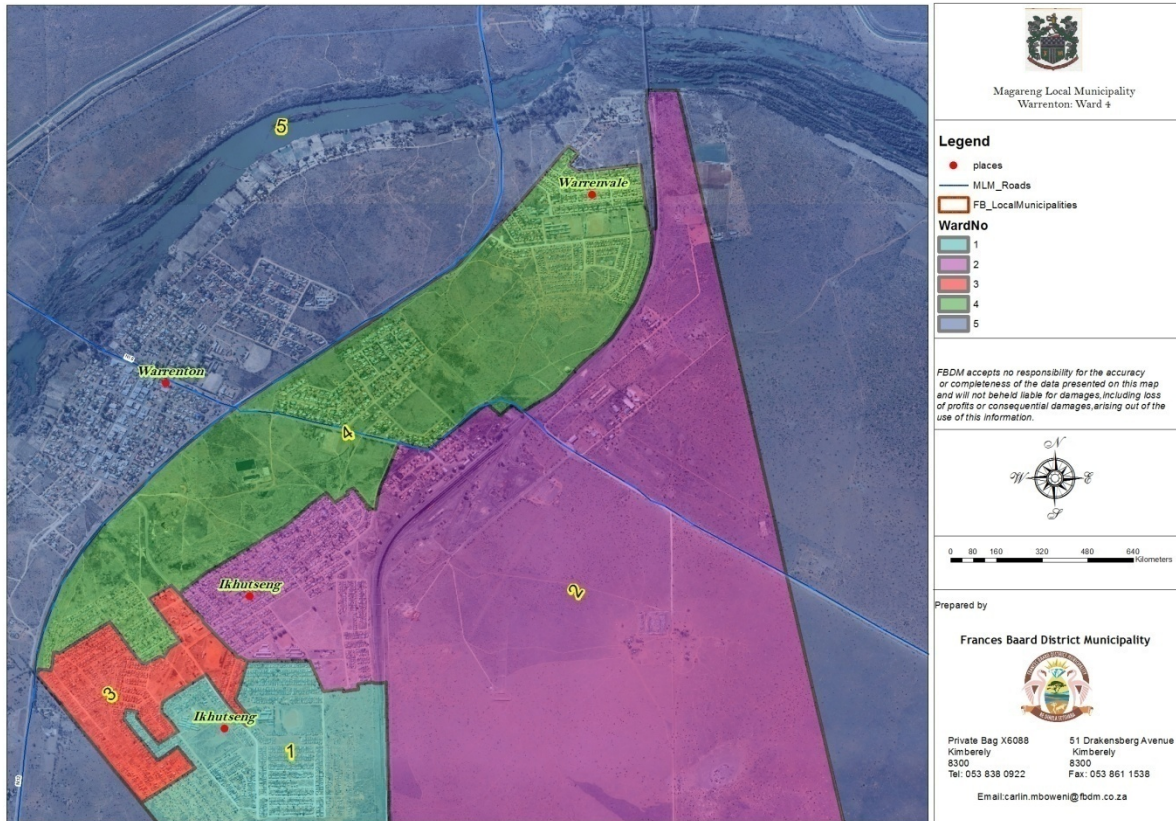
<b>Ward</b>	<b>3</b>
<b>Councillor</b>	<b>Ms Julia Dipuo Tshekedi</b>
<b>Ward Committee Members</b>	<b>10</b>



### Ward 3 Priority List 2018/2019

<b>1. Water and Sanitation</b>	<b>8. Library</b>	<b>15. Orphanage Homes</b>
<b>2. Roads</b>	<b>9. Safety</b>	<b>16. Arts and Culture</b>
<b>3. Unemployment</b>	<b>10. Health and Environment</b>	
<b>4. Education/FET</b>	<b>11. Sports Facilities</b>	
<b>5. Land Development</b>	<b>12. Youth Development</b>	
<b>6. High Mast Lights</b>	<b>13. LED</b>	
<b>7. Parks and Recreation</b>	<b>14. Hospital</b>	

<b>Ward</b>	<b>4</b>
<b>Councillor</b>	<b>Mr Kadia Zalisa</b>
<b>Ward Committee Members</b>	<b>10</b>



### Ward 4 Priority List 2018/2019

1.Housing (Unfinished Houses)	8. Unemployment
2. Safety	9. Roads
3. Title deed	10. Meter Reading
4. Land Development	
5.Electricity	
6. Library	
7. Health	





### Ward 5 Priority List 2018/2019

1. Water and Sanitation	8. Unemployment
2. Electricity	9. English School
3. Roads	10. Housing
4. Waste Management	11. Hospital
5. Fire Engines	12. Health and Environment
6. Testing Station	13. Cemeteries
7. Legacy Project	

## Consolidated Magareng Local Municipality IDP Priority 2018/2019

1. Water and Sanitation
2. Housing
3. Sports Facilities
4. Hospital
4. Roads
5. Education
6. Electricity
7. Cemeteries
8. Land Development
9. Local Economic Development (LED)
10. Unemployment
11. Library
12. Fire Engines

### IDP Representative Forum

IDP Representative Forum is established in terms of Section 15 of the Local Government: Municipal Planning and Performance Regulations. By broadening the scope of the IDP Representative Forum to include the budget, performance management and service agreement requirements for public participation, the municipality asserts that budgeting ought to be linked to development planning, which clearly impacts the definition of performance areas, indicators and targets, as well as service delivery.

Magareng Local Municipality held IDP Representative Forum on the 17 May 2018. The councillors, officials and sectors departments form part of the IDP Representative Forum. Salga, Frances Baard District Municipality and Provincial Treasury were in attendance.

## 1.5 Programmes and projects that will support the delivery of services

Description		Services Type	Programme type	Current /Proposed project funding		
Project number	Name & Description			2018/2019	2019/2020	20/2021
01	Warrenton: Bulk Water Supply in Ikhutseng.	Water	Water Supply	R11 029 000	-	-
02	Upgrading of Electricity Infrastructure	Electricity	Upgrading	R 4000 000	-	-
03	Magareng Water Management Programme	Water	Refurbishment	R 10 137 000	-	-
04	Warrenton: Upgrading of Water Purification Plant	Water	Upgrading	R 5 000 000	-	-

### 2.1 Introduction

The Department Technical Services is devoted to improve the quality of life of its community by providing efficient, sustainable and affordable infrastructure specifically in terms of:

- water and sanitation
- Roads and Stormwater
- Electricity, and
- Housing
- Effectively utilizing the available resources, and
- Identifying the best option that would maximize the output.

Expanded & accelerated economic investment and availability of reliable economic infrastructure. Section 229 of the Constitution allows municipalities to impose property rates and service charges. This obligation requires strict financial management and accountability to the public.

The provision of basic services is one of the Key Performance Areas as contemplated in Sect 152(1) of the Constitution. The National Minister in conjunction with the MEC for local government take their marching orders from the State of the Nation Address to continuously improve service delivery and assist local municipalities in meeting community needs.

Council conducted an audit of its indigent register to migrate as many deserving beneficiaries as possible. This will enhance our capacity to control and monitor our age analysis and ensure proper credit control and revenue collection.

### 2.2 Water and sanitation

- Planning the provision of water and sanitation services (Master planning),
- Operation and maintenance of the water and sanitation assets and resources
- Manage the provision of capital infrastructure related
- Project management and
- Policies, procedure and standards for the provision of the service

### 2.3 Roads and Stormwater

- Planning the provision and upgrading of adequate roads and stormwater
- Maintenance of the existing infrastructure
- Manage the provision of capital infrastructure
- Project management

## 2.4 Electricity

- Plan and manage the distribution of electricity
- Operation and maintenance
- Manage the provision of capital infrastructure
- Project management
- Policies, procedures and standards for the provision of the services

## 2.5 Housing

- Plan the provision of housing to the needy by the Province
- Assist the Province in coordinating the housing delivery strategies
- Enforce the provincial policies on housing matters, and
- Assist the province in the managing of contractors and the projects
- Provide guidance to the community on housing matters
- Maintain database of housing beneficiaries waiting list

### 2.6.2. Electricity

#### ELECTRICITY

<b>INTRODUCTION TO ELECTRICITY</b>
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#### **BULK ELECTRICAL SUPPLY**

Eskom supplies 11kv bulk supply to a substation situated in Warrenton. From there the 11kv supply is distributed to 11kv transformers which steps it down to 380V networks in Warrenton CBD, Warrenton residential, Warrenvale and the surrounding plots. Supply in Warrenvale is by means of prepaid metering system and Warrenton CBD and residential is by means of credit meters. Some residences in Warrenton have also changed to pre-paid system. Municipality is planning to review to policy to standardise the electricity metering system.

Moleko's farm gets the bulk supply from Eskom and the municipality distributes it by means of a pre-paid system. The following areas get both the bulk and low tension supply directly from Eskom: Ikhutseng, Bull Hill, Sydney's Hope and Hartsvalley. Windsorton station and Majeng have not yet been electrified. Windsorton station previously was supplied by Transnet. Transnet gets the bulk 11kv supply from the municipality and further distribute this to their own transformers and networks. The electrical network also is very old therefore needs to be upgraded.

#### **INTERNAL RETICULATION**

The municipality is responsible for electricity distribution to Warrenton, Warrenvale and Moleko's farm. The municipality is planning to upgrade existing and construct the electricity new mainline for the new developments as well as its electrification. Cost needed.

## **BACKLOGS IN ELECTRICAL SUPPLY**

Most of the backlogs in electrical supply relates to the rural areas not yet serviced by Eskom as well as problem of ageing infrastructure.

- Majeng 200 sites

### **2.6.3. Sanitation**

The sewer outfall works is situated in the centre of the urban node. Due to the relatively flat topography, all sewerage must be pumped to the outfall works. The outfall works is 12 years old and was designed to treat 2 MI/day of raw sewerage. The treated effluent of the sewer outfall works drains via a natural watercourse through sections of Warrenton to the Vaal River. The quality of treated effluent is still good, although the present rate of inflow is 2, 4 MI/ day. Extensions to the sewer outfall works is thus essential and it is proposed that a new plant be erected to accommodate both future demand but also to reduce the negative impact of the present locality of the plant on future developments.

Warrenton town is serviced by either septic tanks or French drains. These systems require that the municipality empty these tanks on a regular basis. The effluent from these septic tanks is transported by tanker to the sewer outfall works. All sewage from Warrenvale drains to a single sewer pump station that pumps the sewage to the sewer outfall works. A small sewer pump station receives the sewage from the southern areas of Ikhutseng and then pumps it into one of the main gravity sewer lines. All the sewage of Ikhutseng then drains to a single pump station that pumps the sewage to the sewer outfall works.

Groundwater contamination is presently experience with the septic and French drains operational in Warrenton. Urgent attention will therefore have to be paid to ensure that the drinking water is not affected so the septic tanks will have to be replaced to curb the problem.

Currently only indigent residents of Magareng excluding farming areas receive 6kl of water free and Majeng area is getting water from the borehole and jojo tanks. The Municipality has requested for funding to erect solar panel water pumps to the farming areas.

### **2.7.3. Catchment area**

Magareng produces on average 2.4ML/day of wastewater which ends up in the Warrenton waste water treatment works. The design capacity of the works is 2 MI/day. The works uses both mechanical and activated sludge treatment methods. Despite running over-over capacity the plant still produces fairly good quality effluent which is discharged into the Vaal River via the storm water channel. The Municipality is authorised to discharge 730 MI/year of purified effluent into the Vaal River. The waste water is either transported with a sewer tanker from individual septic tanks to the treatment works or conveyed via sewer network by being pumped from low points and by gravity from higher places.

The Municipality is planning to construct a new plant to accommodate extra inflow as well as future flows

### **2.7.4. Sewer Collection and Reticulation**

Raw domestic sewage is received at the treatment works via both sewer tanker outfall sewers.

### **2.7.5. Treatment Facility**

All the erven in Warrenton have either a French drain or a septic tank. All erven in Warrenvale have waterborne sewerage. The informal settlement called Rabaadjie and (558 households) have recently been serviced with the Urine Diversion Toilet System which will in future be converted into waterborne toilet system.

## **2.8. WATER PROVISION**

## Projects lists

Description		Services Type	Programme type	Project Primary Class	Current /Proposed project funding (RM)		
Project number	Name & Description				18/19	19/20	20/21
		W: Water S: Sanitation	Water Services WIB: Internal Bulk WRB: Regional Bulk WT: Treatment WWT: Waste Water Treatment WR: Reticulation SS: Sanitation Service H: Housing O: Other	B - Basic H - Higher S - System Improvement	Total	Total	Total
001	New water network for 1298 low cost housing in Warrenton	Water Reticulation	Water Infrastructure New	B	0	16 mil	0
002	New sewer network for 1298 low cost housing in Warrenton	Sewer Reticulation	Sanitation infrastructure New	B	0	18 mil	0
003	Rehabilitation of Land-Fill site	Solid Waste	Upgrade	B	0	5 mil	0
004	Infill installation of UDS toilets to farm areas including Majeng	Internal Sanitation	Sanitation Infrastructure Upgrade	S	0	1.5mil	0
005	Implementation of WC/WDM Strategies and cost recovery measures	Water Infrastructure System	Repairs	S	0l	10mil	10mil
006	539:Warrenton: relocation sewer purification	Internal Sanitation	Sanitation Infrastructure New	H	0	0	100mil



## Service Delivery and Infrastructure Development

- Strategies that will address the provision and maintenance of municipal services such as water, electricity, solid waste, roads and sanitation

Item A	Institutional Assessments	Institutional Strategy
1) Organizational Structures	<ul style="list-style-type: none"> <li>• The relationship between the municipality and politicians is good; however there is a lack of decisiveness and limited knowledge of the water business.</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake a council or WC induction programme to capitalize on the existing relationship and build a communication bridge between the municipality and the customers.</li> </ul>
	<ul style="list-style-type: none"> <li>• The department has an approved organogram in place but lacking human capacity with skills; There is a low staff turnover at mid management and senior level</li> </ul>	<ul style="list-style-type: none"> <li>• Build on the existing skills base by instituting a mandatory training programme for technical staff. Invest in team building and workshop sessions incorporating the councilors and municipal management to ensure continuing high staff morale.</li> </ul>
	<ul style="list-style-type: none"> <li>• The water and sanitation department has limited technical skills such as technicians, artisans and qualified plumbers;</li> </ul>	<ul style="list-style-type: none"> <li>• Advertise and fill the identified critical vacant posts.</li> </ul>
	<ul style="list-style-type: none"> <li>• Currently, the operation and maintenance is largely performed by general workers and are not easily trained</li> </ul>	<ul style="list-style-type: none"> <li>• Institute a mandatory WC training programme for the general workers as well as ABET training if required to improve the literacy and skills levels for the O&amp;M staff.</li> </ul>
	<ul style="list-style-type: none"> <li>• There is a significant lack of vehicles and limited spares to do maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>• Engage with the Department of Finance and allocate an adequate budget for the critical spares.</li> <li>• Allocate a specific person who will be responsible for expediting equipment orders and managing quality control in terms of the procurement process.</li> </ul>
	<ul style="list-style-type: none"> <li>• There is a good relationship between the department of finance and technical; Lack of functional standing committees to discuss water related issues.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a NRW steering committee comprising representatives from the technical, communications and finance departments to improve communication and access to Information. Institute monthly reporting meetings to facilitate coordinated planning and Implementation of projects.</li> </ul>
Item B	Financial Assessments	Financial Strategy
2) Meter reading	<ul style="list-style-type: none"> <li>• According to the municipality meter reading is not conducted to its full potential</li> <li>• The meter reading is captured manually and there are no audits taking place to verify the data;</li> </ul>	<ul style="list-style-type: none"> <li>• Clarify and establish the minimum requirements for the appointment of meter readers and ensure that the literacy levels of the meter readers are appropriate for capturing the vital billing information. Provide a mandatory induction meter reading training course and undertake</li> </ul>

	<ul style="list-style-type: none"> <li>• The municipality is using internal staff to conduct meter reading and meters are read on monthly basis;</li> <li>• The proposal has been accepted to move the meter readers under finance department supervision to the technical department.</li> </ul>	periodic spot checks to improve the accuracy of the meter reading.
	<ul style="list-style-type: none"> <li>• The major challenge facing the municipality is record keeping, and there are no proper water balance reports generated on monthly basis;</li> </ul>	<ul style="list-style-type: none"> <li>• Through monthly monitoring and capture of the bulk meter readings, develop a basic monthly water balance with the necessary NRW KPI's included which must be developed with representatives from department of Finance. This will aid improved management of revenue and NRW.</li> </ul>
	<ul style="list-style-type: none"> <li>• Limited training is given to meter readers.</li> <li>• Meter readers do report leakage encountered on site;</li> </ul>	<ul style="list-style-type: none"> <li>• Include WC training for the meters readers to facilitate their understanding of the water business. Include infrastructure leakage reporting as part of the employment profile for the meter readers to facilitate passive and cost effective leak detection.</li> </ul>
3) Billing	<ul style="list-style-type: none"> <li>• It was mentioned that due to technical glitches in the system, the municipality has not send out bills in 3 consecutive months.</li> </ul>	<ul style="list-style-type: none"> <li>• Appoint a qualified IT service provider to review the current system and make recommendations. Consider the procurement of an alternative system and ensure that the people operating the system obtain the necessary training before utilising the system.</li> </ul>
	<ul style="list-style-type: none"> <li>• The billing is informative, two months of data can be seen on the bill;</li> </ul>	<ul style="list-style-type: none"> <li>• Consider including water conservation tips and information in the water bill. It is also recommended to display 6 months graphical consumption data on the bill to aid consumers in effectively monitoring water use.</li> </ul>
	<ul style="list-style-type: none"> <li>• The indigents gets free basic water of 6kl there after they pay for the usage;</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor the frequency and accuracy of the meter reading. Undertake a community survey to determine the effectiveness of the municipalities mentor programme and where the short falls are in aiding people to better understand the water business and the billing system.</li> </ul>
	<ul style="list-style-type: none"> <li>• The bill is usually sent to consumers using the post and hand delivery methods;</li> </ul>	<ul style="list-style-type: none"> <li>• Consider alternative electronic means of sending water bills such as SMS to improve the immediacy of the bill and to assist people in</li> </ul>

		remembering to pay for the services.
	<ul style="list-style-type: none"> <li>In some areas where meters are buried it is assumed that estimates and flat tariffs are utilised;</li> </ul>	<ul style="list-style-type: none"> <li>Undertake an infrastructure cleaning programme. Utilise the opportunity to create local ward based employment and improve asset management. This process will improve the accessibility of the meters which are the cash register of the municipality and simultaneously garner community support for cost recovery programmes.</li> </ul>
4) Customer Queries and Complaints System	<ul style="list-style-type: none"> <li>Billing and metering complaints are referred through the municipality's reception office;</li> <li>The billing and metering complaints are captured manually;</li> <li>The technical department does receive exception reports from the finance department.</li> </ul>	<ul style="list-style-type: none"> <li>Establish the customer care centre and support the personnel with WC training to ensure that they are equipped to efficiently and competently assist the consumers;</li> <li>Obtain an electronic system to capture and monitor the queries referred and to track the resolution of the queries.</li> </ul>
5) Tariffs	<ul style="list-style-type: none"> <li>The department is using step tariffs;</li> <li>Consumers generally consider water affordable.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that the rising block tariff is sufficiently differentiated in cost at each level to promote</li> <li>WC/WDM with the highest tariff at least twice the amount of the lowest tariff.</li> </ul>
6) Cost Recovery	<ul style="list-style-type: none"> <li>It was mentioned that the poor water supply in Ikhutseng area has resulted in low cost recovery in the area.</li> <li>The cost recovery is estimated to be (75% in town, 5% in Ikhutseng Township and 95% in the Industrial area)</li> </ul>	<ul style="list-style-type: none"> <li>Utilise the positive relationship with the councilor to promote payment for services at public meetings and other public forums.</li> </ul>
6.1) Levels of Payment	<ul style="list-style-type: none"> <li>Consumers usually prefer paying for services at the municipal offices while some consumers are using the EFT method.</li> </ul>	<ul style="list-style-type: none"> <li>Undertake mandatory WC/WDM training for the finance personnel responsible for receiving payment.</li> <li>Utilize the preference of consumers to pay directly and showcase professional customer care and ensure that the personnel can advise consumers on reducing water losses and where to refer queries.</li> </ul>

6.2) Methods of payment	<ul style="list-style-type: none"> <li>There are bylaws in place but they do not address WCWDM related issues.</li> <li>The municipality does not have credit control policy in place.</li> </ul>	<ul style="list-style-type: none"> <li>Review the existing bylaws and ensure that they address water efficiency legislation.</li> <li>Develop partnerships with the credit control and legal departments as well as the SAPS and put appropriate bylaw enforcement mechanisms in place.</li> </ul>
6.3) Policies and Bylaws	<ul style="list-style-type: none"> <li>No enforcement mechanism is taking place</li> </ul>	<ul style="list-style-type: none"> <li>Once established, utilised the NRW steering committee to address enforcement of the credit control policy.</li> <li>Keep a clear record of the consumers on which enforcement was enacted and the progress made in this regard which should form part of the monthly cost recovery report.</li> </ul>
6.4) Policy Enforcement	<b>Social Assessment</b>	<b>Social Strategy</b>
Item C	<ul style="list-style-type: none"> <li>Bulk metering is taking place in most area. There are no monthly reports generated which is the results of poor record keeping.</li> </ul>	<ul style="list-style-type: none"> <li>Read bulk meters on a monthly basis and capture the readings on a spread sheet which can be updated.</li> <li>Monitor input volumes and other Non-Revenue Water key performance indicators.</li> </ul>
7) Consumer Profile	<ul style="list-style-type: none"> <li>All non-domestic and most domestic consumers are metered.</li> </ul>	<ul style="list-style-type: none"> <li>Periodically undertake a meter audit particularly for the non-domestic consumers to ensure that the meters are in proper working order, and that the consumers are billed accurately for water use.</li> </ul>
8) Community Awareness	<ul style="list-style-type: none"> <li>There are meter audits taking place but there is no systematic plans to continue with the programme ;</li> <li>The municipality does not have a maintenance programme in place for the existing installed meters;</li> <li>Majority of the meters are inside the properties in the old areas and outside properties in the newly developed areas;</li> <li>A significant number of the meters appear not to be read on a regular basis and are covered with soil.</li> </ul>	<ul style="list-style-type: none"> <li>Budget and implement meter replacement programmes particularly for bulk and non-domestic consumers.</li> <li>Ensure that all new meter installations where practicable are outside the properties to improve accessibility for meter reading personnel.</li> <li>Monitor and undertake spot checks for meter readers to ensure that the meter reading takes place regularly and accurately to improve consumer confidence in the metering and billing process.</li> </ul>

9) Schools awareness	<ul style="list-style-type: none"> <li>The bulk meters that are installed ranges between Kent Helix and Sensus WPD meters</li> <li>Domestic and non-domestic meters are mostly (Kent Meters)</li> </ul>	<ul style="list-style-type: none"> <li>Take monthly meter readings and capture the data on a monthly basis.</li> </ul>
Item D	<ul style="list-style-type: none"> <li>Bulk meters are newly installed between (10-20 years old);</li> <li>Domestic meters are ranging between 5 and 15 years;</li> </ul>	<ul style="list-style-type: none"> <li>Conduct an annual audit on the bulk meters and ensure that they are in proper working order.</li> <li>Undertake a meter replacement programme for domestic and non-domestic meters older than 10 years commencing with the replacement of non-domestic meters.</li> </ul>
10) Metering	<ul style="list-style-type: none"> <li>Bulk meters are mostly belowground installations and easy to access;</li> <li>The domestic installations vary, some are installed inside properties while others are outside properties;</li> <li>Domestic meters vary from below ground and above ground installations.</li> <li>Some are secured in meter boxes whilst some are covered with sand.</li> </ul>	<ul style="list-style-type: none"> <li>Construct proper enclosures or chambers for the exposed bulk meters recently installed to protect the investment and to ensure accurate readings.</li> <li>Where practicable, current and future meter installations should be above ground and outside the properties to improve visibility and access to the meters.</li> </ul>
	<ul style="list-style-type: none"> <li>The system network has the average pressure of 2-3,4bars;</li> <li>There is no pressure management taking place in the area.</li> <li>There are no zone metering installed currently</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the satisfactory operating pressure and ensure that operating pressures never exceed the DWA regulatory standard of 9 bar.</li> <li>Sectorise the water supply system into manageable sized areas or zones to enable improved monitoring of the system.</li> <li>Install zone meters and ensure that they are read on a monthly basis.</li> <li>The readings must be captured on a spread sheet.</li> </ul>

**TABLE 11**

### **5.1.1. Ward Programme System**

**Programmes and projects that will support the delivery of services.**

#### **5.1.1.1. Background**

**Magareng Municipality consists of five wards**

- ❖ Ward programme system is the system in which conscious efforts have been applied to create and support strategies, policies, and structures as well as to institutionalize values, and practices that promote cooperation among different parties in the Magareng Municipality
- ❖ In order to achieve organizational goal. A high level of collaborative capacity will enable more effective work at the short, medium and long-term levels

### **6. Critical Challenge At Hand**

- ❖ The Municipal Technical Services Workers are currently working without any control and monitoring system and this practice pose a high risk and a negative impact to municipal finances.
- ❖ Due to lack of control system and haphazard manner in which workers are carrying out their work, the municipality finds itself exposed to high demand of unplanned overtime works.

### **7. The Objective And Strategies Of The System**

- ❖ To promote more effective, efficient, and quality work amongst different sections in the Technical Services Department
- ❖ To ensure control and monitoring on work to be rendered by the Technical Services Department.
- ❖ To enable the Technical Services Department to plan ahead on the needs encountered throughout the Ward programme cycle.
- ❖ To help in identification of all assets in the wards and the planning to improve their conditions.
- ❖ To reach all areas and provide equal services to all wards within the borders of the Municipality

### **2.8.1. Bulk infrastructure supply: Water Service**

#### **Roads and storm water**

<b>INTRODUCTION TO ROAD TRANSPORT</b>
---------------------------------------

Magareng Municipality has the Integrated Transport Plan (ITP), the plan has been prepared by the Frances Baard District Municipality.

## INTRODUCTION TO ROADS AND STORM WATER

### Core issues

#### **Proper road signs and markings:**

Road signs and markings are done. In some areas the signs have been vandalised or removed by accidents and are been replaced. The markings on the road surfaces are also in a poor condition. Pedestrian crossings are indicated which leads to an decrease in road accidents.

#### **Proper road infrastructure:**

Some areas do not have proper road infrastructure. The Municipality has hugely embarked on Constructing new tar roads as well as paving roads in Ikhutseng and Warrenvale since this two town-ships had a huge back-log, here the Municipality is entirely dependent on MIG. Funds to progress.

#### **Maintenance of road infrastructure:**

With the assistance of funds from other spheres of government i.e. Frances Baard District Municipality and Department of Public Works the Municipality is continuously maintaining all its existing tar roads for adequate access and improvement.

#### **Storm water problems:**

Storm water problems still remains a problem. In areas where storm water systems have been installed, poor maintenance leaded to insufficient handling of storm water runoff. The increase in storm water runoff also leads to soil erosion in some areas. The Municipality is planning to compile roads and storm water master plan to be able to address these challenges in the short, medium and long term.

### **Development Outcomes, Objectives, Strategies and Outputs**

The overall goal of this development programme is to ensure that all communities are easily accessible and that existing road and storm water infrastructure will be well maintained. The following development outcomes are desired:

Outcome desired
-----------------

Effective and efficient road network and storm water facilities
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The following development objectives, strategies and outputs have been formulated:



## Roads and storm water Project lists

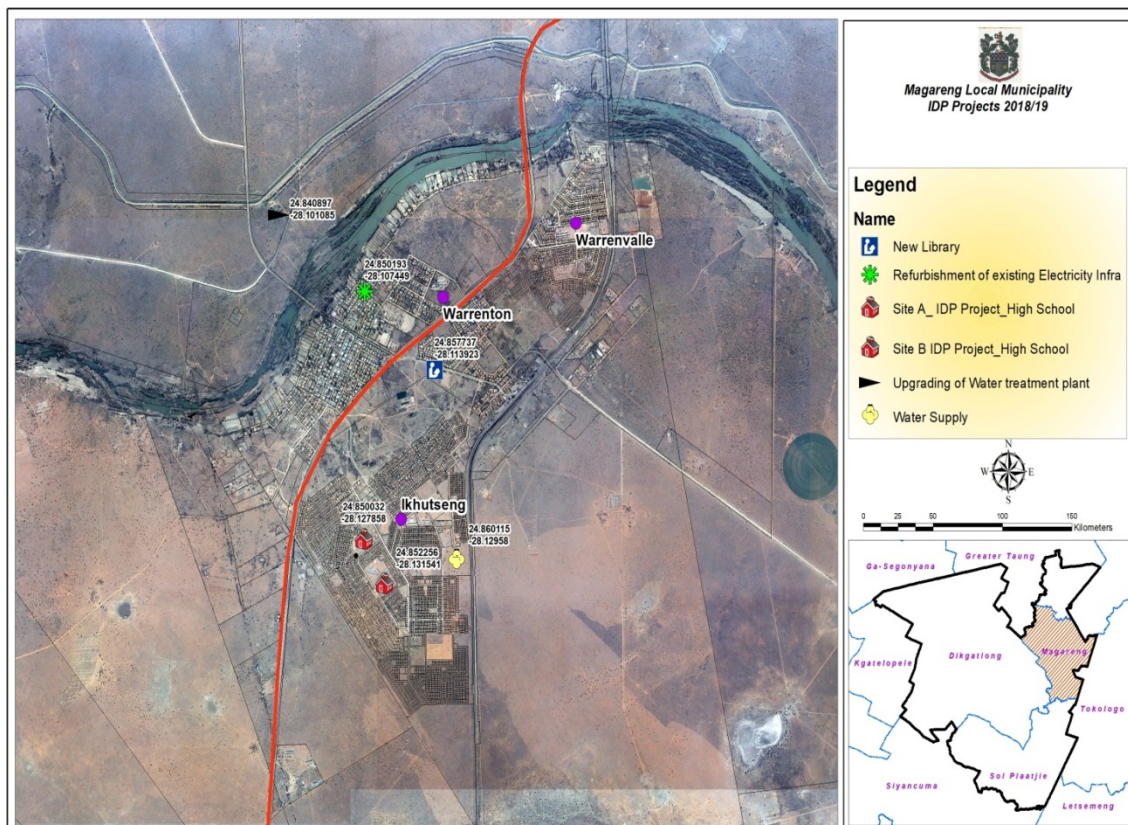
Description		Services Type	Programme type	Project Primary Class	Current /Proposed project funding (RM)		
Project number	Name & Description				18/19	19/20	20/21
		Roads and Storm Water	Construction of Streets and Storm Water in Ikhutseng  Repairs and Resurfacing of Existing Streets in Warrenton  Contractor Development Programme  Municipal Fleet and LDVs	B - Basic H - Higher S - System Improvement	0	Total	Total
001	Construction of Streets and Storm Water in Ikhutseng	New Roads	Roads infrastructure	B	0	12mil	10mil
002	Compilation of the Roads and Storm water Master Plan	Strategic planning tool	Roads and Stormwater infrastructure Improvement	S	0	800 000	800 000
003	Roads and Storm Water fleet and LDVs	Machinery	Maintenance	S	0	6.0mil	6.0mil
004	Repairs and Resurfacing of Existing Streets in Warrenton through the Contractor Development Programme	Operation and Maintenance	Maintenance	S	0	800 000	800 000



## 2.8.2 Funded Projects

Description		Services Type	Project type	Current /Proposed project funding		
Project number	Name & Description			2018/2019	2019/2020	2020/2021
01	Warrenton: Bulk Water Supply in Ikhutseng.	Water	Water Supply	R11 029 000	-	-
02	Upgrading of Electricity Infrastructure	Electricity	Upgrading	R 4000 000	-	-
03	Magareng Water Management Programme	Water	Refurbishment	R5 000 000	-	-
04	Warrenton: Upgrading of Water Purification Plant	Water	Upgrading	R 10 137 000	-	-
05	Construction of Vacuum Sewer	Sanitation	Continue	R 1000 000	-	-

### 2.8.3 Geographical Information System (GIS) Projects Map 2018/2019



## 2.8.4 Basic Services and Infrastructure Investment Objectives

Basic Services and Infrastructure Investment Objectives			
Objective	Budget	Indicator	Target
<b>Water and Sanitation</b>	R 10 137 000	Upgrade Water treatment plant in Warrenton	Complete the project 30 June 2018/2019 financial year
	R 5000 000	Boreholes Equipped, installation of water meters, valves and bulk meters	Complete project by 2018/2019 financial year
	R11 029 000	Construction of Bulk water line	Complete Ikhutseng section by 2018/2019 financial
	R 1000 000	Construction of Vacuum Sewer in the Station Area	Complete project by 2018/2019 financial year
<b>Upgrading of Electricity Infrastructure</b>	R 4 000 000	Upgrading of Low Voltage and Medium Voltage electrical lines	Replace aging infrastructure in Warrenton

### 3.1 Introduction

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, national travel, accommodation, and catering.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

Municipality get their revenue from three sources. First, they raise some of their own revenue by charging all people who own property such as land, houses and businesses rates based on the value of their property. The second way they raise revenue is by charging tariffs for services like water, electricity, refuse removal and the use of municipal facilities such as sports grounds. Some municipalities can generate a lot of revenue in this way, while poorer municipalities raise virtually nothing and are almost totally dependent on funding transfers from national government, which is the third source of revenue for municipalities.

### 3.2 Summary

The final revenue budget for 2018/2019 amounted to **R146 179 282**.

- Provision for bulk purchase of electricity amounts to R 31 044 939 -Eskom
- Provision for bulk purchase of water amounts to R7 500 000– Vaalharts Water
- 7.36 % increase in salaries for both councillors and municipal staff
- Provision for depreciation on assets to the amount of R14 578 951
- Provision for payment of Auditor General Fees of R 2 000 000
- Provision of free basic services to indigent households totalling is R 15 665 350 for the 2018/2019 financial year which is made up of the following services.
  - Water- R4 167 812
  - Electricity- R4 889 700
  - Sanitation- R3 604 910
  - Refuse- R3 002 928
- Provision for bad debts R27 440 513. The provision for the 2018/2019 has been made considerably to provide for the writing off indigent debt the basis for the increase used was all outstanding debts as of 30<sup>th</sup> March 2018 outstanding for more than 90.
- Note that schedule A10 that speaks about basic service delivery measurement could not be completed due to the unavailability of the information as the municipality does not have the measurements.

### 3.3 Repairs and Maintenance

Although contribution to repairs and maintenance from council site is not up to the required standard an amount of R3 675 994 was budgeted plus R 1 750 000 which we will be receiving from the Frances Baard District Municipality.

2018/2019 OPERATING EXPENSE PER TYPE	
Employee Remuneration	R 42 411 534
Council Remuneration	R 3 398 461
Provision Bad Dept	R 27 440 513
Depreciation	R 14 578 951
Repairs and Maintenance	R 5 425 994
Finance Charges	R 1 252 500
Bulk Purchases	R 39 630 000
Contracted Services	R 3 136 000
General Expenses	R 14 684 560
Total	R150 073 453

- Employee related costs amounts to R42 411 534 as a result of new posts that was budgeted for. Those vacant posts are included in the last page of our document.
- Bulk purchases consists out-of Eskom which amounts to R31 044 939 which includes the arrangement of R328 000 on the outstanding Eskom debt.
- Vaalharts water amount to R7 500 000.

### 3.4 Summary of 2018/2019 operating Revenue

Property Rates	R 9 418 052
Service charges: Electricity	R 22 110 547
Service charges: Water	R 8 752 183
Service charges: Sanitation	R 5 979 590
Service charges: Refuse	R 5 341 188
Rent of facilities and equipment	R 36 000
Interest earned- external investment	R 268 000
Interest earned- outstanding debtors	R 9 770 092
Fines, penalties and forfeits	R 2 205 000
Licences and permits	R 489 077
Transfers and subsidies	R 47 412 000
Other Revenue	R 4 231 553
<b>Total</b>	<b>R 116 013 282</b>

<b>OTHER REVENUE</b>	
<b>Clearance Certificates</b>	R 67409
<b>Valuation Certificates</b>	R 69 409
<b>Photocopies</b>	R 15 321
<b>Acturial gains</b>	R 326 233
<b>Sundry Income</b>	R 284 180
<b>Commission</b>	R 4 750
<b>Plan Printing &amp; Duplicates</b>	R 15 000
<b>Collection of outstanding debtors</b>	R 3 449 251
<b>TOTAL</b>	<b>R 4 231 553</b>

The operational revenue budget for 2018/2019 amounts to R146 179 282 including the grants and was compiled with the following increases on Rates. Tariffs and other revenue and other Revenue:

The other revenue on the A4 includes 2.5 of outstanding debtors at year end which amounts to R137m which will be towards the collection of outstanding debtor.

- 5.3% increase :Water
- 5.3% increase : Sewerage
- 6.84% increase : Electricity
- 5.3% increase : Refuse

- Equitable share allocation form R41 743 000 for 2018/2019 financial year
- Property Rates : New valuation roll implemented from 1 July 2010

Approved new tariffs are:

- Business : R 0,02330289 per R value of Valuation
- Residential : R0,01398384 per R value of Valuation
- Agriculture : R0, 00057915 per r value of Valuation
- Government : R 0,02330289 per R value of Valuation
- Municipal : R 0,01398384 per R value of Valuation

The first R15 000 of all residential properties are exempted from being taxable.

### 3.5 Budgeted Cash flow

Property Rates	R 5 650 831
Service Charges	R25 310 103
Other Revenue	R 4 176 977
Government – operating	R47 791 998
Government – capital	R30 165 996
Interest	R 6 022 855
Dividends	
Payments	
Suppliers and employees	(R73 877 668)
Finance charges	(R 125 000)
Transfers and Grants	
Net Cash from (used) operating activities	R45 116 092
Cash Flows From investing Activities	
Proceeds on disposal of PPE	

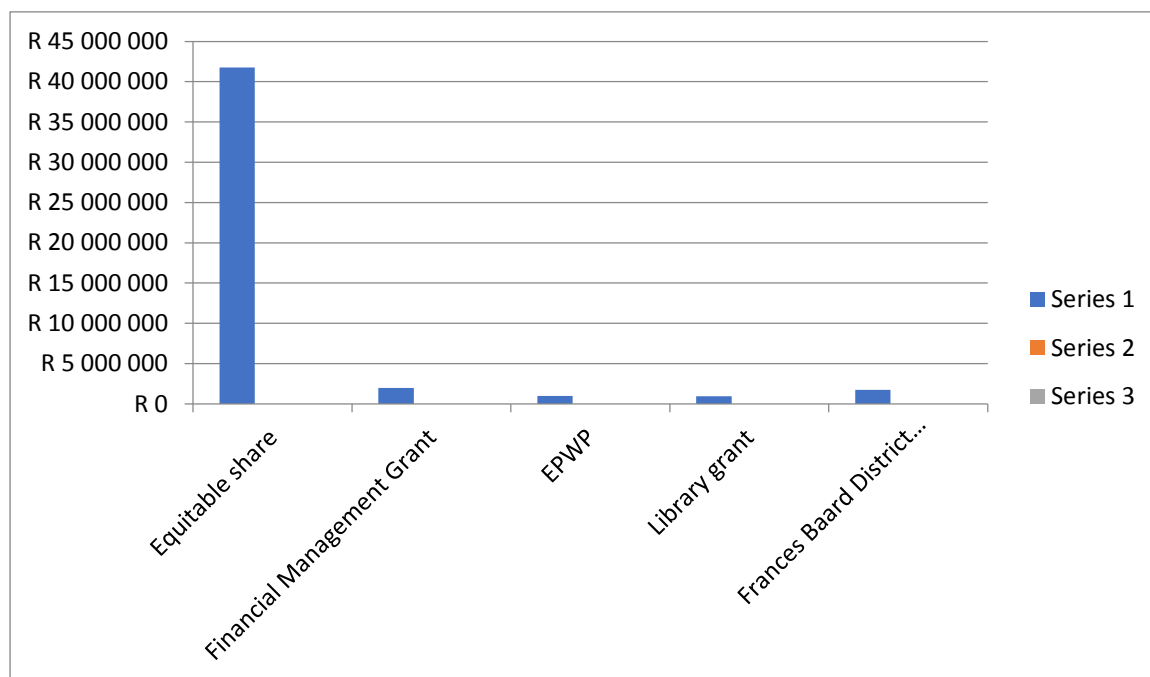
Decrease(Increase) in non-current debtors	
Decrease(increase) other non-current receivables	R 3 449 251
Decrease(increase) in non-current investments	
Payments	
Capital assets	(R30 165 996)
Net Cash From(Used) investing Activities	(R26 716 745)
Receipts	
Short term loans	
Borrowing long term(Financing)	
Increase(Decrease) in consumer deposits	
Payments	
Repayment of borrowing	
Net Cash From(Used) Investing Activities	
Net Increase(Decrease) In Cash Held	R 18 399 347
Cash/Cash Equivalents at the year begin	(R14 902 000)
Cash/Cash Equivalents at the year end	R 3 497 347

- The cash flow collection is estimated at 60% for service charges and interest on the debtors
- Also included in our cash flow is an amount of R3 449 251 which we anticipate to collect from our outstanding debtors which is 2.5% of R137 970 037.



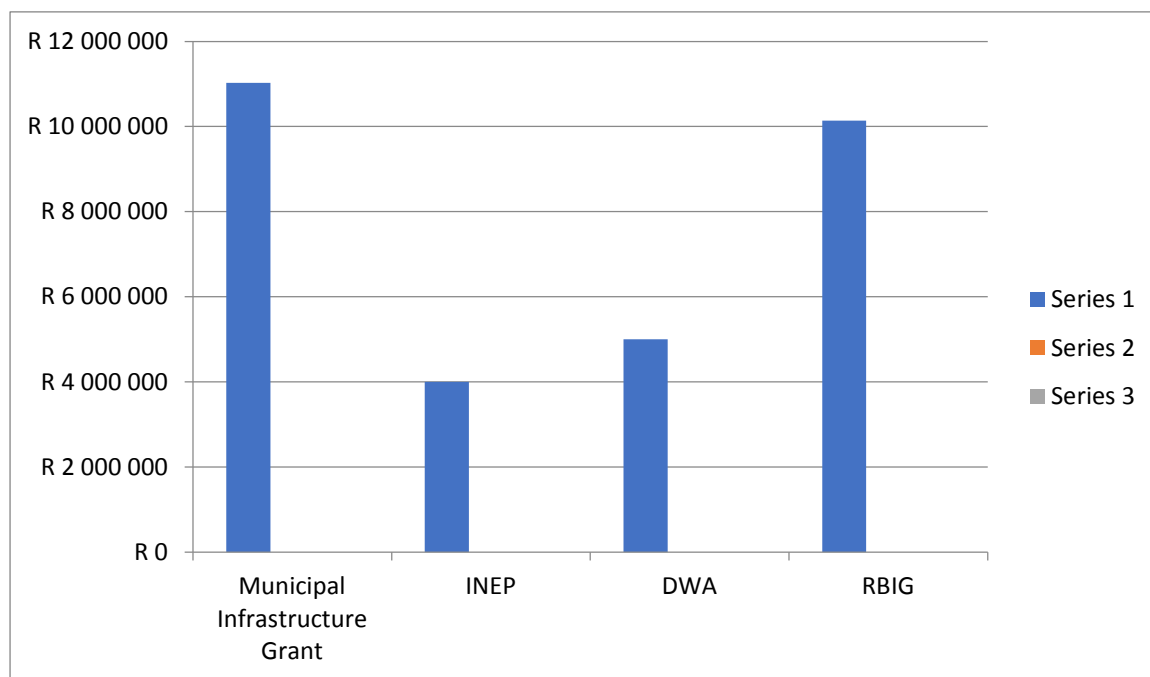
### 3.6 Operating Grants 2018/2019

<b>OPERATING GRANTS</b>	<b>2018/19</b>
EQUITABLE SHARE	R 41 743 000
Financial Management Grant	R 1 970 000
EPWP	R 1 000 000
Library Grant	R 950 000
Frances Baard (O&M)	R1 750 000
Total	R 47 413 000

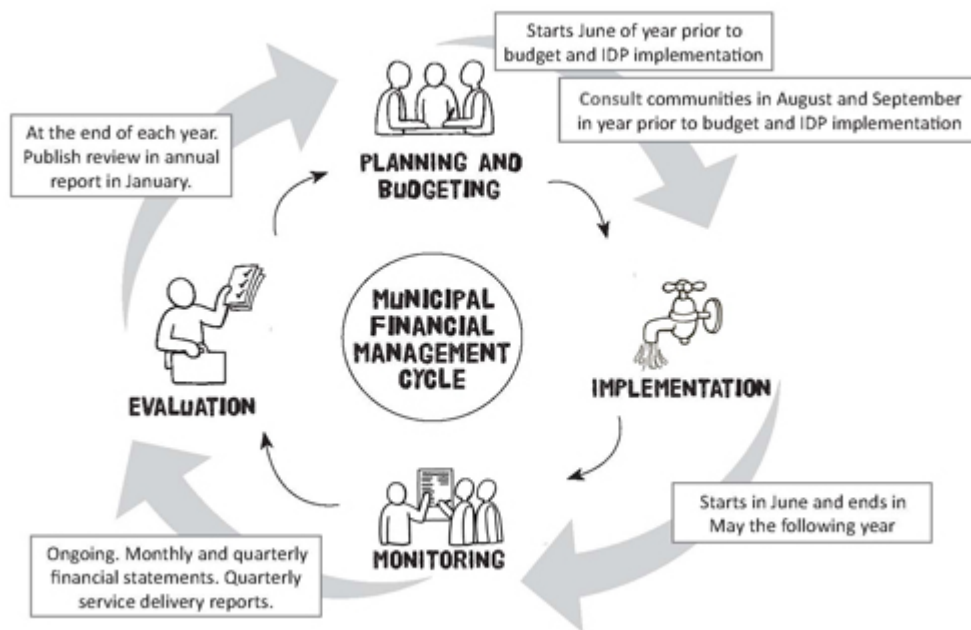


### 3.7 Capital Grants

CAPITAL GRANTS	
Department of Water Affairs	R 5 000 000
Regional Bulk Infrastructure Grant	R 10 137 000
Municipal Infrastructure Grant	R 11 029 000
INEP	R 4 000 000
Total	R 30 166 000



### 3.5 Municipal financial management cycle



### 3.6 Core Functions of the Department

- Accounting
- Budgeting
- Revenue Collection and Debt Management
- Financial Management
- Treasury
- Procurement

### 3.8 Financial Performance

Description  R thousands	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Financial Performance</b>										
Property rates	4 726	6 543	6 894	7 500	7 500	7 500	–	9 418	9 927	10 473
Service charges	29 277	25 919	28 230	35 183	35 183	35 183	–	42 184	44 461	46 907
Investment revenue	171	273	255	450	450	450	–	268	282	298
Transfers recognised - operational	35 208	41 734	43 581	42 714	42 714	42 714	–	47 412	49 972	52 721
Other own revenue	6 097	8 178	12 256	10 038	10 038	10 038	–	16 732	17 635	18 605
<b>Total Revenue (excluding capital transfers and contributions)</b>	75 480	82 648	91 215	95 884	95 884	95 884	–	116 013	122 278	129 003
Employee costs	30 377	35 184	37 956	37 803	37 803	37 803	–	42 412	44 702	47 160
Remuneration of councillors	(2 324)	2 330	3 268	3 164	3 164	3 164	–	3 398	3 582	3 779
Depreciation & asset impairment	9 009	10 449	14 579	12 707	12 707	12 707	–	14 579	15 366	16 211
Finance charges	2 097	4 324	6 981	188	188	188	–	253	266	281
Materials and bulk purchases	21 204	29 187	35 110	40 845	40 845	40 845	–	36 471	46 345	48 894
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	45 204	31 247	38 487	45 587	45 587	45 587	–	45 461	46 149	48 687
<b>Total Expenditure</b>	105 567	112 721	136 381	140 294	140 294	140 294	–	142 573	156 411	165 013
<b>Surplus/(Deficit)</b>	(30 087)	(30 073)	(45 166)	(44 410)	(44 410)	(44 410)	–	(26 560)	(34 133)	(36 010)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	23 093	19 263	15 946	#REF!	41 037	41 037	–	30 166	31 795	33 544
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	(6 994)	(10 811)	(29 220)	#REF!	(3 373)	(3 373)	–	3 606	(2 338)	(2 466)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	(6 994)	(10 811)	(29 220)	#REF!	(3 373)	(3 373)	–	3 606	(2 338)	(2 466)
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	23 093	19 263	13 821	41 037	41 037	41 037	–	30 166	31 795	33 544
Transfers recognised - capital	23 093	19 263	13 812	41 037	41 037	41 037	–	30 166	31 795	33 544
Public contributions & donations	–	–	9	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–	–
<b>Total sources of capital funds</b>	23 093	19 263	13 821	41 037	41 037	41 037	–	30 166	31 795	33 544
<b>Financial position</b>										
Total current assets	22 951	16 916	21 689	93 624	93 624	93 624	–	107 285	88 680	77 752
Total non current assets	239	252	251	127	127	127	–	117	123	130

	668	531	521	976	976	976		121	446	235
Total current liabilities	83 441	96 452	128 948	90 711	90 711	90 711	–	109 675	102 056	91 866
Total non current liabilities	16 929	19 830	20 317	18 050	18 050	18 050	–	20 317	21 414	22 592
Community wealth/Equity	162 250	153 166	123 945	112 839	112 839	112 839	–	94 414	88 656	93 529
<b>Cash flows</b>										
Net cash from (used) operating	17 613	17 375	13 459	9 347	9 347	9 347	–	43 756	36 901	34 443
Net cash from (used) investing	(13 872)	(21 663)	(13 569)	(41 037)	(41 037)	(41 037)	–	(26 717)	(30 166)	(30 166)
Net cash from (used) financing	(118)	0	2	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	4 502	214	106	(31 584)	(31 584)	(31 588)	–	2 137	8 872	13 149
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	18 311	214	106	(31 476)	(31 476)	(31 476)	–	2 137	8 872	13 149
Application of cash and investments	80 311	68 811	94 466	23 251	23 251	23 251	–	53 202	60 585	59 316
Balance - surplus (shortfall)	(62 000)	(68 597)	(94 360)	(54 727)	(54 727)	(54 727)	–	(51 065)	(51 713)	(46 167)
<b>Asset management</b>										
Asset register summary (WDV)	203 327	248 245	214 601	–	–	–		164 949	173 856	183 418
Depreciation	9 009	10 449	14 579	12 707	12 707	12 707		14 579	15 366	16 211
Renewal of Existing Assets	–	–	–	–	–	–		–	–	–
Repairs and Maintenance	–	–	3 071	3 345	3 345	3 345		5 426	5 719	6 034
<b>Free services</b>										
Cost of Free Basic Services provided	–	4 155	13 835	17 014	17 014	17 014	15 665	15 665	16 511	17 419
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Financial Viability Objectives			
Objective	Budget	Indicator	Target
Annual Financial Statement	R1000 000	Submission of the AFS	31 August 2018
Updating Asset Register	R1000 000	Completion of the Asset Register	31 August 2018
Budget Expenditure	R149 770 952.60	Percentage expenditure on the annual budget	100%
Revenue Collection	Operational	Percentage (%) collection of revenue achieved by the end of the financial year	60%
MFMA Report	Operational	Number of Section 52 Reports submitted to treasury on time	1
MFMA Report	Operational	Section 72 Report submitted to treasury on time	1
Supply Chain Report	Operational	Percentage compliance with the legislative requirements for a sound supply chain management system	12
Section 71 MFMA Report	Operational	Number of Section 71 (MBS) Reports submitted to treasury on time	12
Table Budget	Operational	Timeous adoption of the 2019/2020 Municipal Budget	Tabling draft budget by 30 March 2019 and Final Budget by 2019

## Chapter 4 Local Economic Development

### 4.1 Introduction.

Local Economic Development(LED) is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area. As a programme, LED is intended to maximize the economic potential of the municipality and to enhance the resilience of the macro-economic growth through increased local growth, employment creation and development initiatives within the context of sustainable. The "local" in economic development points to the fact that the political jurisdiction at a local level is often the most appropriate place for economic intervention as it carries alongside it the accountability and legitimacy of a democratically elected body.

Local economic development (LED) is seen as one of the most important ways of decreasing poverty. Local economic development must aim to create jobs by making the local economy grow. This means that more businesses and factories should be started in the municipal area. As part of the IDP, key stakeholders in a municipality must come together to reach agreement and take decisions to make the economy grow and create income opportunities for more people, especially the poor.

National government makes policy and provides funds, research and other support for local economic development. Municipalities decide on LED strategies and the process of arriving at a LED strategy must be part of the Integrated Development Planning (IDP) process.

The LED strategies should be based on the overall vision outlined in the IDP and should take into account the result of the analysis done to identify problems and prioritise development projects. It should also look at things like integrating our residential and work areas, building development corridors between areas and supporting the economy with good public transport.

National and Provincial government provides support for municipalities in developing local economic strategies.

The Department of Provincial and Local Government has identified the following as key principles underlying LED:

- Poverty and unemployment are the main challenges facing South Africa. LED strategies must prioritise job creation and poverty alleviation
- LED must target previously disadvantaged people, marginalised communities and geographical regions, black economic empowerment enterprises and SMMEs to allow them to participate fully in the economic life of the country
- There is no single approach to LED. Each locality may develop an approach that is best suited to its local context
- LED promotes local ownership, community involvement, local leadership and joint decision making
- LED involves local, national, and international partnerships between communities, businesses and government to solve problems, create joint business ventures and build local areas
- LED uses local resources and skills and maximizes opportunities for development
- LED involves the integration of diverse economic initiatives in an all-inclusive approach to local development



- LED relies on flexible approaches to respond to changing circumstances at local, national and international level

## 4.2 Background

Magareng Local Municipality was identified as one of the Municipalities to be assisted with their Local Economic Development (LED) component by the Department of Economic Development. The methodology used in identification and selection of municipalities for assistance is: assessing the status of the LED through the Section 47, LED Maturity Assessments of the Local Municipality and LED /IDP analysis.

The inclusion of the LED component in the IDP and the drivers or stakeholders who form part of the strategy is the final step in the alignment of the IDP with LED priorities.

## 4.3 LED Goals

- “Poverty relief through effective basic service delivery and job creation,
- SMME development and tourism promotion.
- Form linkages in order to facilitate skills development,
- Promote business and investment attraction and retention,
- Assist with economic interventions in sector development (agricultural, mining, manufacturing, tourism, transport, trade and electricity).”

## 4. 4 Magareng Local Municipality LED Analysis and Profile

### 4.4.1 LED Definition

“Local Economic Development (LED) is an outcome: It is a continuous development process based on local initiatives and driven by local stakeholders. It involves identifying and using local resources and skills to stimulate economic growth and development. Source: “Northern Cape Local Economic Development Manual (NCLEDM).

LED is about communities continually improving their investment climate and business enabling environment to enhance their competitiveness, retain jobs and improve incomes. Local communities respond to their LED needs in many ways, and a variety of approaches can be taken that include:

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises;
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- Investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city/town/region for regeneration or growth (areas based initiatives);
- Supporting informal and newly emerging businesses;
- Targeting certain disadvantaged groups.

#### 4.4.2 LED Mandate

The legislation of Local Economic Development is based on the strategic frameworks outlined below:

- “A municipality must structure and manage administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of a community.” (South African Constitution 1996).
- Local economic development must be planned for, implemented and monitored within the context of the national, provincial, local government policy and LED planning framework. Legislation and policy provide a legal framework and therefore LED must be planned for within this legal framework. Legislation that impacts directly on LED planning includes (but is not limited to):
  - Municipal Structures Act (No. 117 of 1998)
  - Municipal Systems Act (No. 32 of 2000)
  - Municipal Finance Management Act (No. 56 of 2003)

In addition to legislation, the impact of important planning policies on a local municipal LED must be considered:

- NDP & NGP, PICC
- IPAP
- PGDS, DGDS, PSDF, DSDF, LSDF, SPLUMA, PLEDs, DLEDs, LLEDs

#### 4.5 National LED Framework

The National Framework for Local Economic Development in South Africa was launched in 2014, and the main thrust of the framework is to promote a strategic approach to the effective and efficient development of local economies in order to foster job-creation and reduce poverty levels through the integration of different government policies and programs. Key is leveraging private sector commitment and spending on localities, concretizing partnerships and program coordination that will significantly contribute to shared growth initiatives as advocated through the National Development Plan (NDP), Industrial Policy Action Plan (IPAP), Northern Cape Provincial Growth and Development Strategy (PGDS) and other government policies aimed at ensuring economic growth and transformation.

**The LED policy framework therefore focuses on the following LED Policy Pillars/Thrusts:**

- Building a Diverse Economic Base:
- Sectoral development (Manufacturing, Agriculture, Tourism, Green Economy, etc.)
- Metropolitan Economic Development
- Regional Economic Development
- Regional Industrial Development Programme
- Industrial Cluster Development Programme
- Developing Learning and Skillful Local Economies:
- Tackling basic skill Gap
- Developing workforce skills
- Developing an Enterprise and Entrepreneurship Culture

## 4.6 Legal Status

Section 152 (1) (c) of the Constitution of the Republic of South Africa of 1996 states one of the objects of Local Government as “to promote social and **economic development**.” Furthermore Section 153 (a) states that a Municipality must “structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and **economic development** of the community.”

Municipal Systems Act, 2000, Section 26 (c) states that an Integrated Development Plan (IDP) must reflect the council's development priorities and objectives for its elected term, including its **local economic development** aims and its internal transformation needs;

Local Economic Development is one of the five Key Performance Areas (KPA's) for Local Government. As a key performance area, LED as an outcome, is strongly interrelated and dependent on the other four KPA's. These include: Municipal Transformation and Organizational Development, Basic Service Delivery, Municipal Financial Viability and Management, and Good Governance and Public Participation.

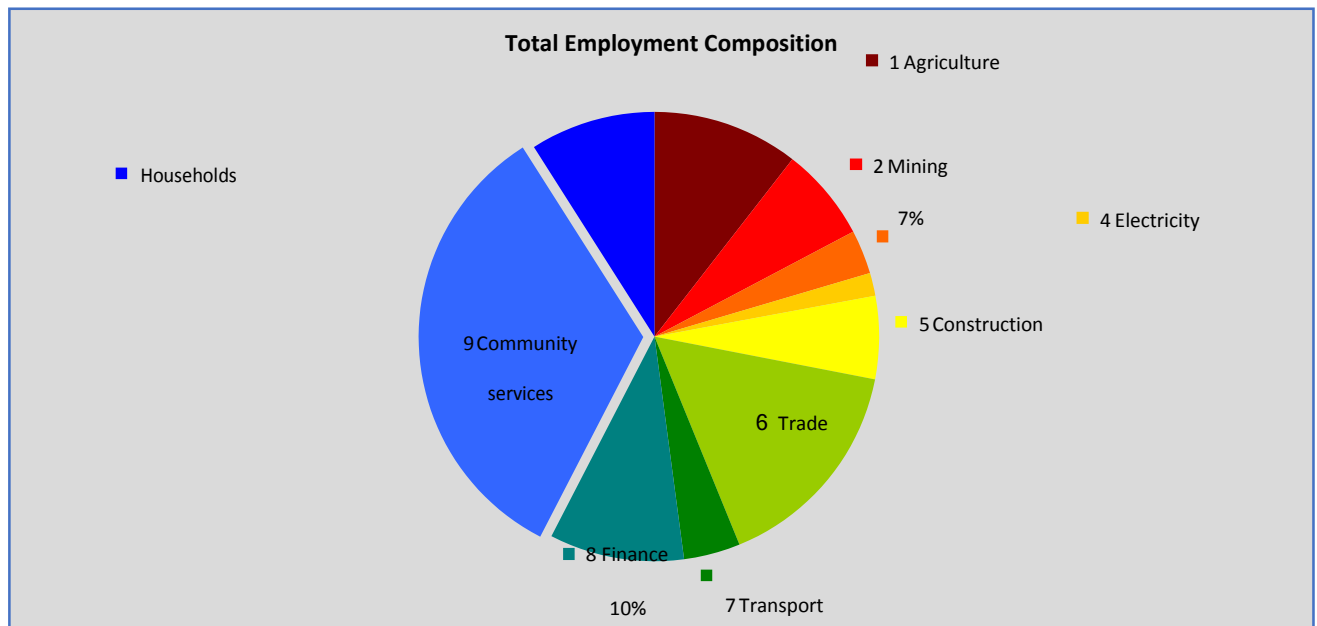
Local Economic Development is the creation of a platform and environment in order to engage stakeholders to implement municipal strategies and programmes for economic development. It's a process whereby all economic forces in a municipality are brought on board to identify resources, understand needs and plan the best way of making the local economy fully functional and competitively productive.

## 4.7 ECONOMIC OVERVIEW

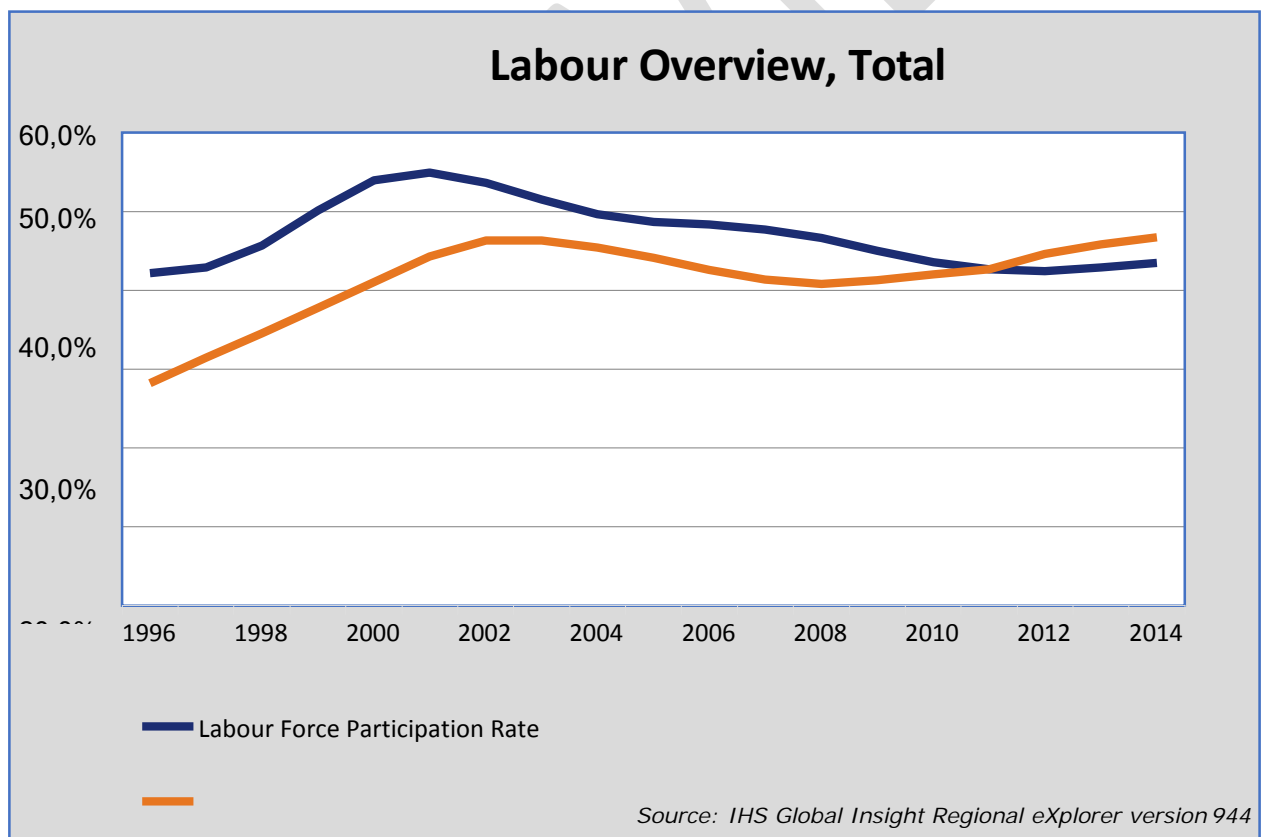
According to Statistics South Africa Census 2011, Magareng Local Municipality has a total Population of 20 204. The Gross Domestic Product for this Municipality is R808 Million, with the Primary Sector contributing 17%, Secondary Sector 8% and the Tertiary Sector contributing 75% to GDP. In relation to Industry, Agriculture and Mining combined contribute 16,86% to GDP; General Government contributes 16,34 %; Community, social and personal services contributes 11.09%; Business services 11,61%; Finance and Insurance 9,34%; Wholesale and Retail trade 13,59%. The picture that these statistics paint is that the economy of Magareng Local Municipality is large reliant on the Tertiary Sector and that there is virtually no manufacturing activities. Magareng has seen an economic growth rate of 1,08% over a period of 10 years.

There are a total of 6 239 Economically Active people in Magareng of which 41% of them are unemployed. In relation to youth unemployment (15 – 39 years), 49% are unemployed. The Educational levels of Magareng Local Municipality as described in the Situational Analysis at the beginning of this document are of great concern. Magareng LM needs to focus on manufacturing activities to stimulate job creation and further capitalize on downward and upward streams or value chains of leading sectors. However, pursuing this strategic objective with the current educational levels; the Municipality will be unable to sustain this development objective due to lack of skills.

## Employment Composition



## Labour Force Participation Rate



## 4.8 LED Strategy

The Magareng Local Municipality has LED Strategy in place. The LED Strategy was adopted by the council in 2017. The strategy outline how the municipality will implement the LED plans to attract investors. The Frances Baard District Municipality played a vital role in drafting of the strategy.

The objective being to:

- I. Crystallize the Local Economic Vision;
- II. Identify our competitive advantage
- III. Create value chain in our leading Economic Sectors;
- IV. Have implementable LED Programmes and Projects with clear outcomes;

### LED Pillar Application

Pillar	Description	Activity	Opportunity
Building Diverse Economic Base	Sectorial Development, Regional economic development, Regional industrial development, Industrial cluster development.	Agri Parks, Agriculture and Agro processing, Small scale Mining and Transport.	Fresh produce cluster – Agro processing Transport node with Linkages
Developing learning and skilful economy	Developing an entrepreneurial culture, Developing leadership and management skills	Entrepreneurial Development and Training.	SMME workshops and training, LED capacity building.
Developing Inclusive Economies	Township economic development, EPWP Informal economy support	Community services and Rural Development, Township revitalisation programs.	EPWP programs, Develop informal economy strategy.
Enterprise Development	SMMEs and Cooperatives,	Retail and SMMEs.	SMME development and

## 4.9 TOURISM

When the Frances Baard District Municipality developed its tourism strategy in 2009, there was mutual cooperation with the Magareng LM. Its purpose being to optimally co-ordinate, manage and develop the District's tourism sector as a vibrant tourism destination that facilitates sustainable economic growth, environment and social benefit within the district.

Given its strategic location along the river, two National Roads, and a railway line all connecting Magareng Local Municipality with areas in different directions; this Municipality has a comparative advantage in Tourism as far as transportation and the natural resource is concerned. Route development is another tourism activity that the Municipality aims to capitalize upon; these are the N12 Treasure Route and the N18 Route Development that Frances Baard District Municipality is currently busy with in collaboration with Magareng and Phokwane LM's.

The organization of Tourism role players within the locale is of importance to positioning Magareng Local Municipality as tourist destination and driving tourism programmes and projects in partnership with the Municipality, hence the efforts to establish a Tourism Association for Magareng Local Municipality.

#### **4.10 Agriculture**

Magareng Local Municipality has been identified as a prime location for the Agri-hub component of the Agri-Park. This facility or development will be characterized by Construction of storage/warehousing facilities; Agri-processing facilities; packaging facilities; logistics hubs; Agri-cultural technology demonstration parks; accommodation for extension support training; housing and recreational facilities for labourers.

This is an ideal opportunity for the Municipality to be able to capitalize on these resources to develop local Small Scale Farmers who are earmarked to own 70% of the Agri-Park and further diversify the Agricultural sector.

##### **4.10.1 Agro-processing**

- Support for development of Agri-Park model for sustainable development and exploit the spin offs of the model.
- Agri-Park Business Plan, identifies four vegetable Agro-processing Agri-Park model:
  - Frozen vegetable processing (business plan already developed),
  - Canned/bottled vegetable processing, vegetable juice (carrot in particular as it is in high demand) processing, dried vegetable processing.
- Linkage with the Wildeklaar (PTY) LTD can promote Magareng area as prime producer and distribution hub of fresh produce.

#### **4.11 Manufacturing**

Manufacturing has the potential to create sustainable job opportunities albeit it has been on the decline in the District and non-existent in Magareng Local Municipality. However, with the investment attraction of a Milling Plant, Agri-hub and Arts and Crafts Centre, the Manufacturing sector has an opportunity to grow and benefit the greater community of Magareng as a whole with job opportunities, skills development and mentoring that will be presented by these LED Initiatives.

- Incubation of Agricultural producers through the Agri-Park model that promotes local beneficiation of products such as Agro processing and promotion of Broad Based Black Economic Empowerment (BBBEE).
- Establishing a Milling plant in Magareng Local Municipality.
- Establish an arts and crafts centre in Warrenton to showcase local talent.
- The development of a silos facility

#### **4.12 Retail**

- The maintenance and expansion of trade will create a sense of locality for the community, decreasing the expense of travel to Kimberley or Jan Kempdorp for purchases.
- Formalising the informal traders and ensuring better regulation by introducing Informal traders' strategy.
- Shopping complex on the N12 will stimulate the local economy

## 4.13 LED Policies

### 4.13.1 SMME SUPPORT AND DEVELOPMENT POLICY

Magareng Local Municipality must play an active role in supporting and developing local SMME's including Informal Businesses because these entities play a pivotal role in employment creation, improving household income and poverty reduction.

### 4.13.2 INVESTMENT INCENTIVES POLICY

Investment Incentives Policy Framework aims to inform and guide the provision of incentives for job creating investment within the Magareng Local Municipality. For any municipal administration, the question of how to design a comprehensive incentives strategy must be located within both a global and local context. For Magareng, the local context demands that the administration performs a careful balancing act. Whilst incentives packages can play a role in encouraging investment that is critical for driving economic growth and job creation, Magareng local municipality must also be cognizant of the revenue implications to address its other strategic policy priorities and service delivery.

## 4.13 LED Projects

LED Projects below are economic opportunities we have in Magareng. Most of these projects do not have funds. We urge potential investors to grab this opportunity and come invest in our community. The funding and implementation of these projects will make our local economy active and drive our economy into great heights. The implementation of these projects will create work and business opportunities. The municipality is making the environment conducive to the business sector.

### LED PROJECTS (2018 – 2019)

Project	Description
N12 SHOPPING COMPLEX	Almost 5 hectares municipal prime land has been availed
MILLING PLANT	Establishment of Grain Collection Site and Milling Plant
MAGARENG TECHNOLOGY CENTRE	Call Centre establishment subject to Doornhof Building renovation
INCUBATION CENTRE	DTI plans to establish 250 Incubation centres
INDUSTRIAL PARK	application to DTI to conduct a feasibility study for an Industrial Park



SOLAR POWER PLANT	Construction of 2400 Hectors of Photo Voltaic plant
AGRICULTURAL PARK	Construction of Hub; Agri-processing facilities; packaging facilities; logistics hubs; Agri-cultural technology demonstration parks; ; housing and recreational facilities for labourers
KALAHARI KID GOAT PROJECT	Co-operatives geared project. Identification of land and support of operating Co-operatives to benefit from the KALAHARI KID GOAT PROJECT.
TOURISTS REST AREA	Upgrade the Tourists Resting Place; Erect toilet facilities, additional sitting area and Braai Stands
HERITAGE SITES	Finalise upgrade our local Anglo Boer War Block Houses at Cultural Resort
ARTS AND CRAFTS CENTRE	Construction of an Arts and Crafts Centre for exhibitions and housing Crafters
MAGARENG INVESTMENT INCENTIVES POLICY	Development of an Investment Incentives Policy; a comprehensive incentives package inclusive of Local Incentives and DTI incentives
DIAMOND FIELDS TOURISM AWARENESS CAMPAIGN (DFTAC)	Annual Tourism month awareness Program in conjunction with FBDM
COMMUNITY RADIO	Support the establishment of a Community Radio Station through sourcing financial & non-financial support
SMME DEVELOPMENT	Arable land be availed for crop farming in middleclass to co-ops
ANNUAL MUSIC EXTRAVAGANZA	Platform to expose & unravel local talents & attract tourist
KOPANO BAKERY	Resuscitation of the bakery through PPP
MOSAIC PARK	upgrading park erf 129 into a mosaic park,



	fencing erection
BUSINESS SUPPORT CENTRE	One stop centre for all business support functions by SEDA; DEDAT; SEFA; NYDA and SARS

#### 4.14 Local Economic Development Objectives

Local Economic Development Objectives and Strategies			
Objective	Budget	Indicator	Target
LED Indaba	R100 000	Consolidation of LED Projects and programme with binding agreements and outcome	1
LED Initiatives	R400 000	Feasibility study	4
Tools of Trade	R50 000	Office Equipment and stationery	2 computers and 2 chairs
Tourism	R70 000	Tourism Programmes	3 Tourism Programmes
SMME Development Support	R50 000	Enterprise Supports	Support 4 SMMEs

## Chapter 5: Institutional Transformation and Development

### **Introduction.**

The Corporate Services Department is the portal of entry and exit from the Municipality and supports the functions of all the other departments in the Municipality. The Department provides support services and generally ensures that all administrative functions of the Municipality are properly coordinated.

### **Sections of Corporate Services**

Administrative Services

Human Resources Management Services

Information Technology

Legal

### **5.1 ADMINISTRATIVE SERVICES**

This section is responsible for the smooth and efficient operation of Councils processes such as: Committee/Secretariat Services (the section is responsible for the compilation of agendas, minutes, reports, etc. of Council, ExCo, Portfolio Committees and ad-hoc committees), Registry and Records (the section that keeps and maintains all records of Council, both physical and electronic records), Councilor Support (the section that provides support services to Councilors ), Delivery Services (the section that is responsible for the internal and external delivery and distribution of councils' communication material, be it agendas, reports, letters, notifications, etc.), Printing and Photocopy Services (the section that is responsible for the reproduction of all communication material), Fleet Control (The section is responsible for the internal control and allocation of Councils fleet vehicles and Building Control (the section responsible for the upkeep and maintenance of council's buildings).

### **5.2 HUMAN RESOURCES MANAGEMENT SERVICES**

Recruitment and Selection (This section is responsible for the recruitment and selection of staff. The achievement of the Employment Equity Plan of the organization is coordinated by this section.), Skills Development and Training (This section formulates the WSP and equips staff with the necessary skills to meet the demands of their jobs. The section also coordinates the formulation of the annual Skills Audit, compiles and submits the Workplace Skills Report. All training and development events, including Bursaries, Learnerships, and Learning Programs are handled by this section, as is all contact and liaison with external Providers.) Human Resource Administration (This section provides a service to its internal customers and assists with issues such as benefits, leave, allowances, subsidies, etc. The Section also ensures that all Human Resources Policies and Procedures are updated from time to time to ensure compliance with existing legislation and HR best practice), Occupational Health and Safety (This section monitors compliance with legislation and ensures that measures for a safe and healthy environment for employees are in place. It focuses on implementing corrective measures to eliminate hazards in the workplace), Employee Assistance (This program takes care of the emotional, physical, psychological, wellbeing of employees. It is a program that assists employees to deal with problems whether it is experienced at work or at home), Industrial Relations (This section concerns itself with ensuring the existence of healthy labour relationships by: being pro-active in resolving employee grievances/issues, professional handling of disciplinary or misconduct matters, and by championing dialogue through consultation and collaboration.

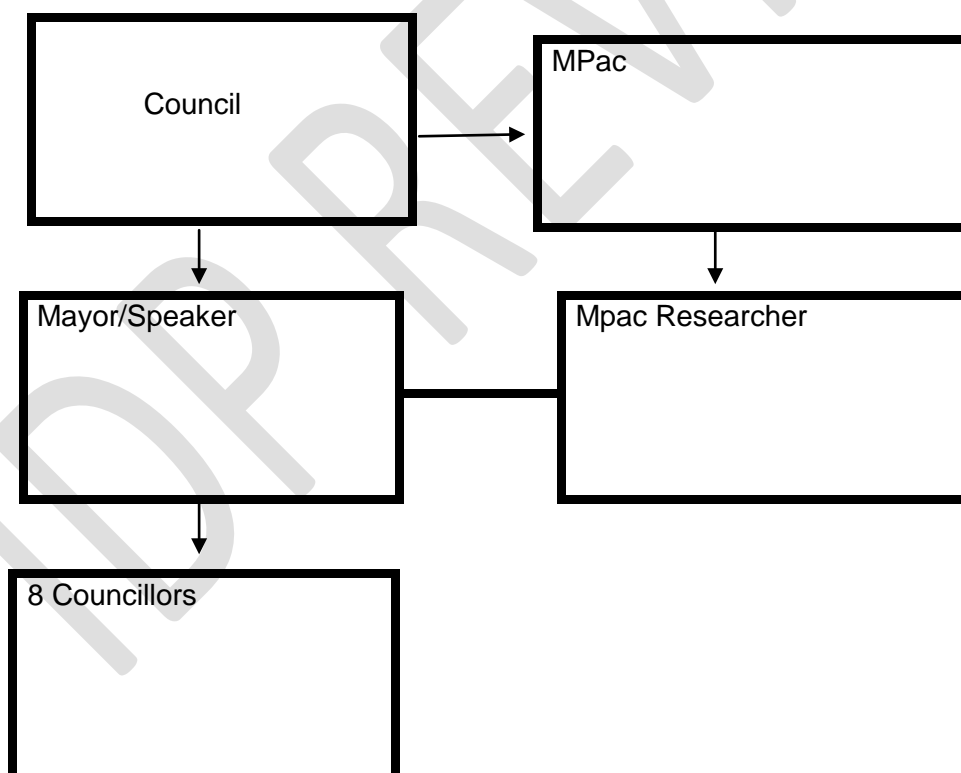
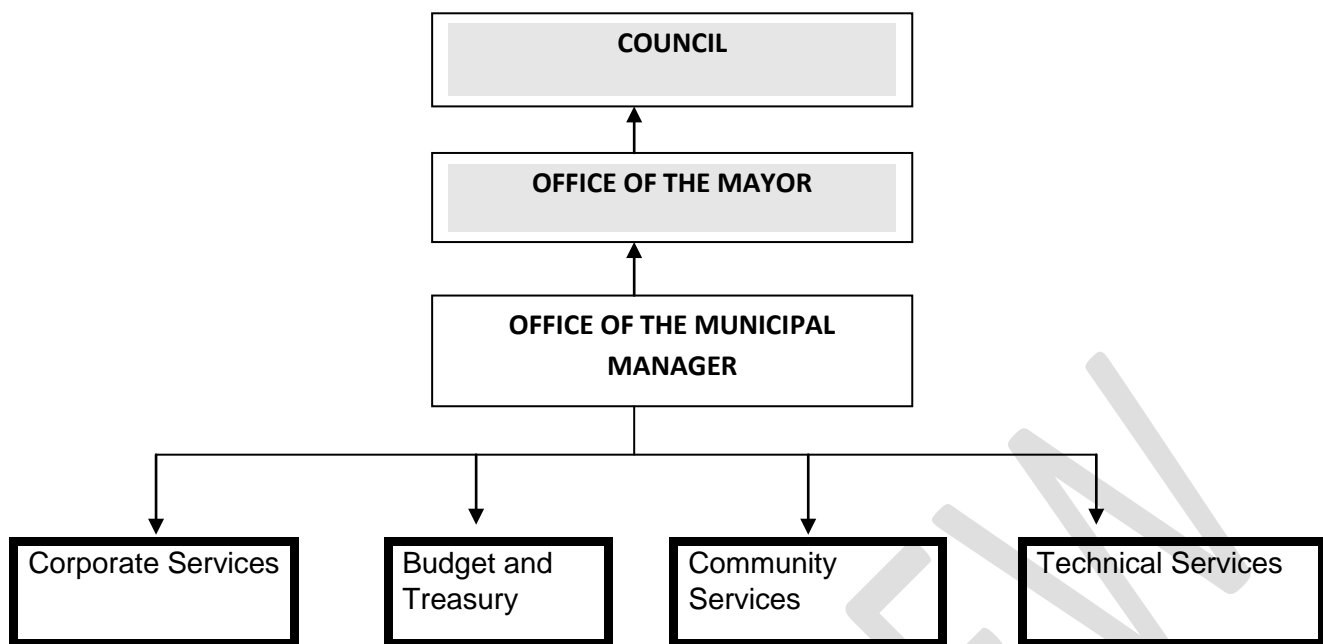
### **5.3 INFORMATION TECHNOLOGY**

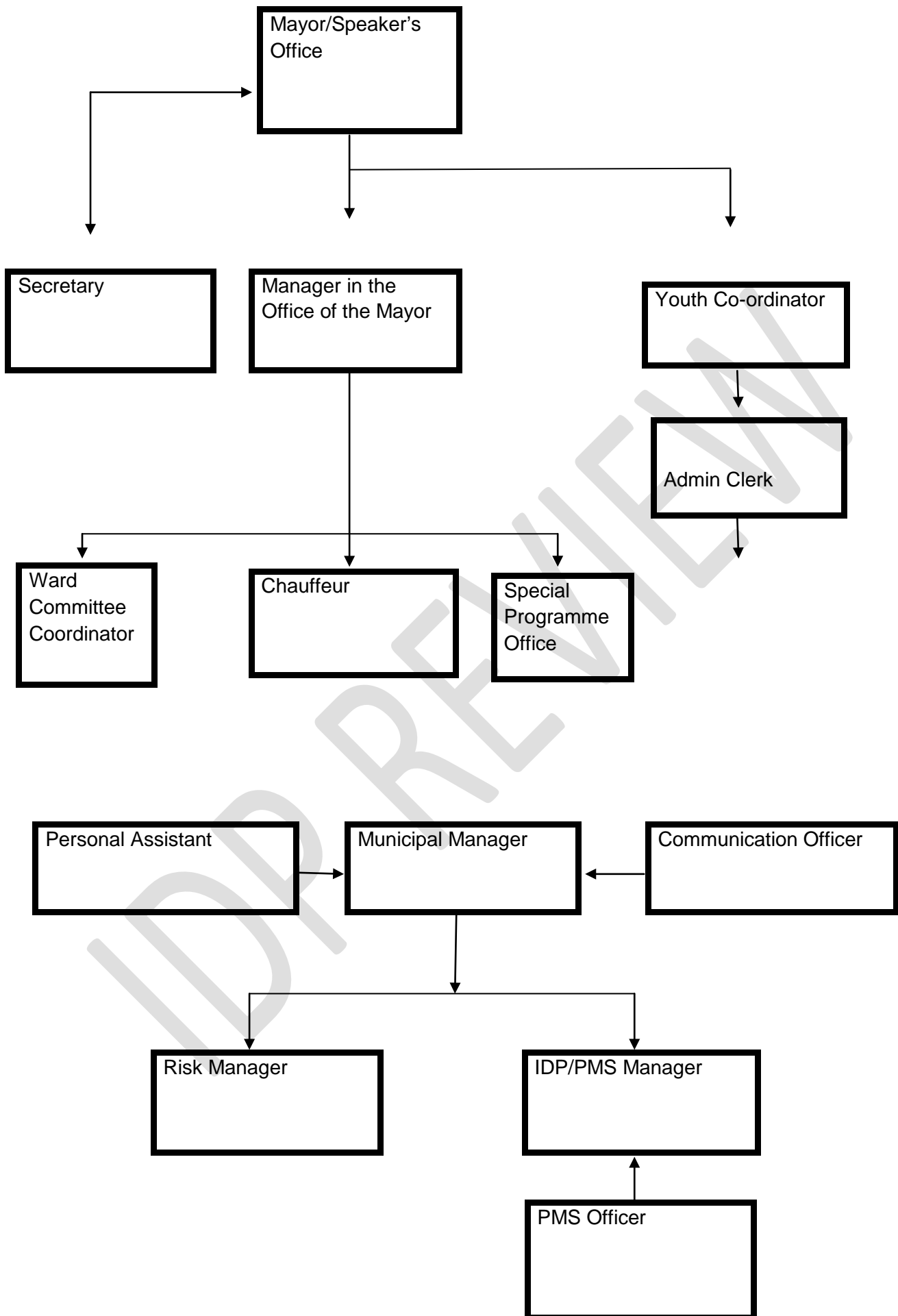
This section provides the IT infrastructure and systems to help the organization realize its goals and objectives by aligning IT services with the Integrated Development Plan. The Key Performance Areas includes: Email, Internet, Intranet and Document Management Services (DMS), Help-desk services, Provision of software and hardware, Disaster Recovery Systems and IT strategy and Master Systems Plan (MSP).

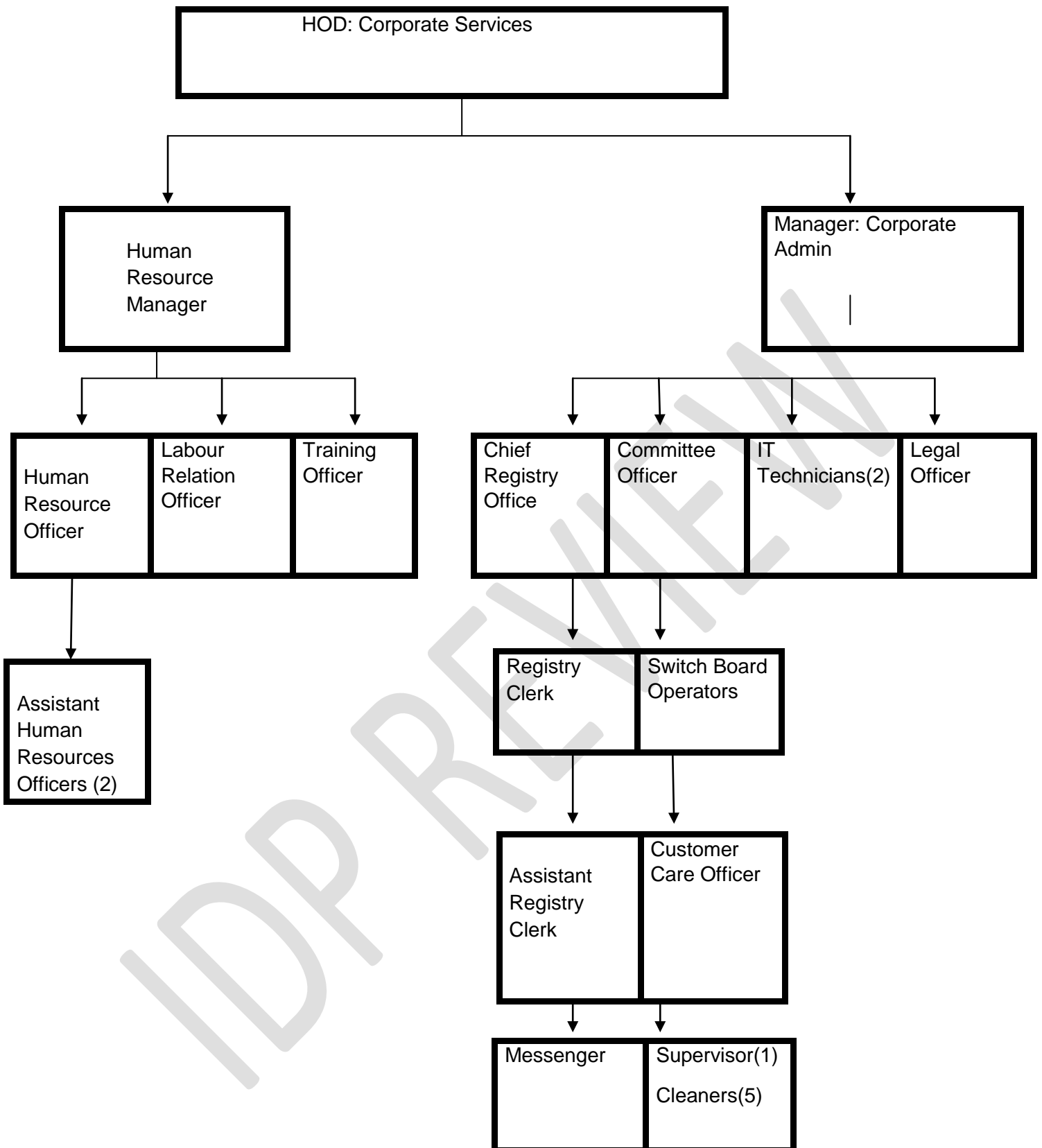
#### **5.4 CORE RESPONSIBILITIES**

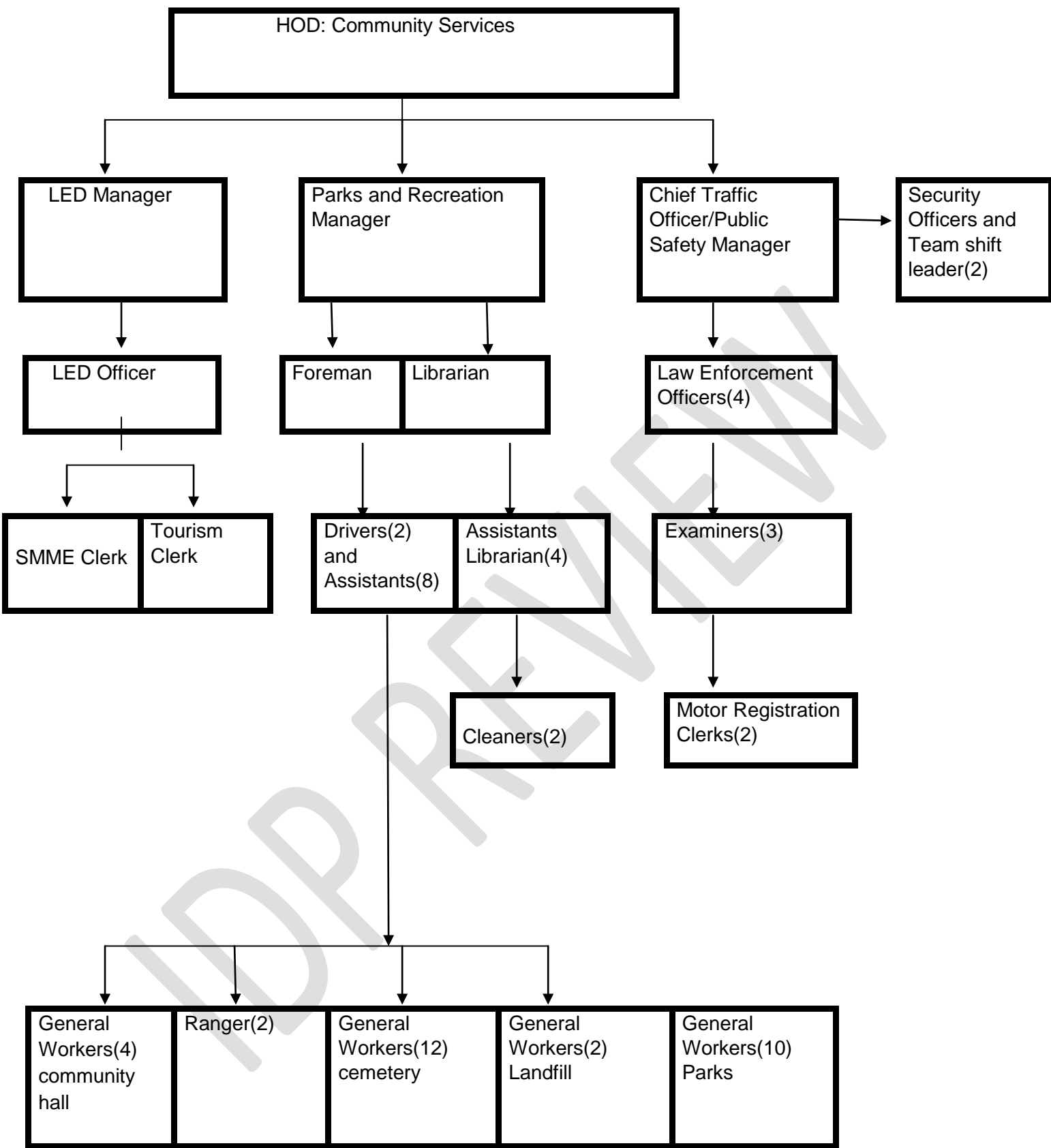
The Corporate Services is the portal of entry and exit from the Municipality and supports the functions of all the other departments in the Municipality. The Department provides support services and generally ensures that all administrative functions of the Municipality are properly coordinated.

## 5.5 Organisational Structure

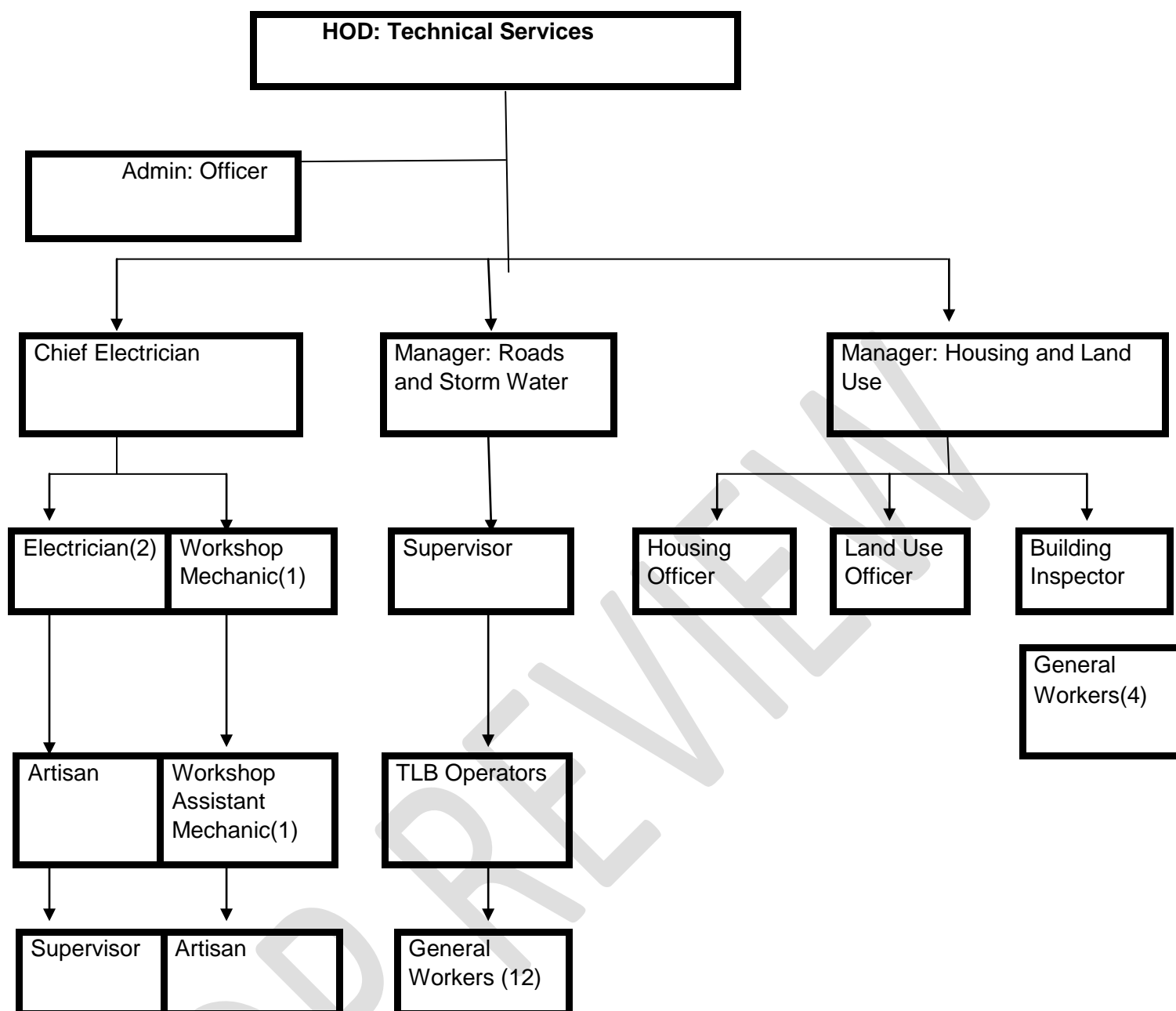


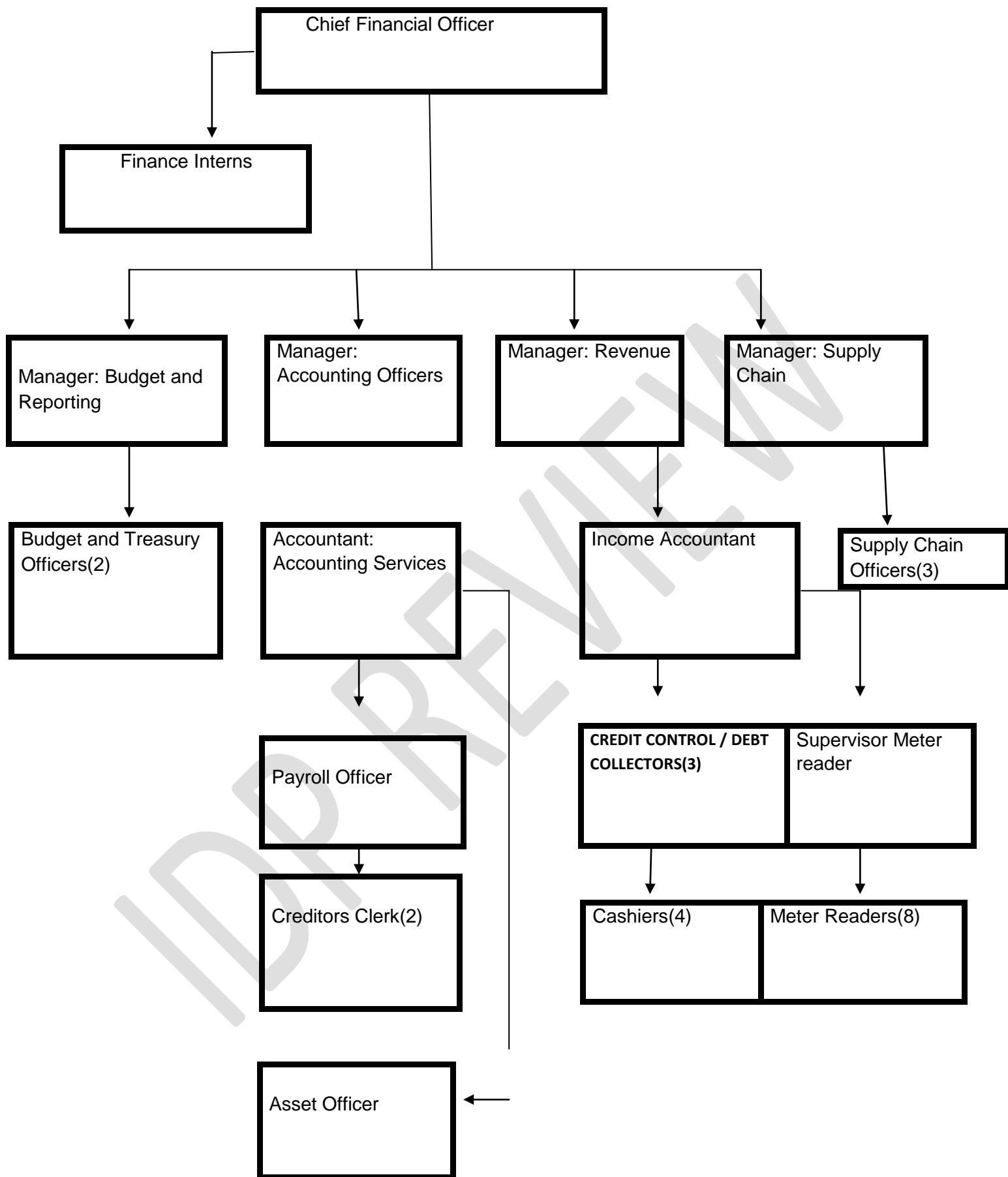












## 5.6 Institutional Transformation and Development Objectives

Institutional Transformation and Development Objectives			
Objective	Budget	Indicator	Target
Turnaround time to complete recruitment and selection process	Operational	Recruitment to be completed within 90 days after closing of the advert	90 days after the closing of the advert
Recruitment and selection reports	Operational	Number of reports on recruitment and selection process	Quarterly reports on recruitment and selection
Turnaround time in handling disciplinary cases	Operational	Disciplinary cases to be conducted within the prescribed time as per the collective agreement	Three months to do conclude a disciplinary case
Employment Equity Plan submitted to department of labour	Operational	Submission of Employment Equity plan to Department of labour	Submit one in 2018/2019
Conduct Skills Audit	Operational	Number of skills audit to be conducted	Conduct one skills audit in 2018/2019
Training for committee meetings	Operational	Number of training for committee members	4 Trainings
Workplace Skills Plan	Operational	Submit Workplace Skills Plan to LGSETA	Submit one
Customer Care Report	Operational	Submission of Customer Care Report	4 Quarterly Reports
Occupational Health and Safety meetings	Operational	Number of Health and Safety meeting to take place	4 Quarterly Reports
Reports on registry and archiving functions	Operational	Number of registry and archiving reports	4 quarterly reports

<b>Improve IT System in the municipality</b>	Operational	Number of IT backup to be performed on a monthly base	4 quarterly reports
<b>Ordinary Council meetings</b>	Operational	Number of ordinary council meetings	Four Quarterly Meetings
<b>Council committee meetings</b>	Operational	Number of council meetings	16 council committee meetings in 2018/2019

## Chapter 6: Good Governance and Public Participation

### Introduction

Magareng Local Municipality acknowledges and values the contributions of the community in achieving its service delivery, developmental and strategic objectives. The development of a policy that creates a framework, in line with the National Policy Framework 2007, within which public participation can be effected, serves to confirm the commitment of the Municipality to encourage structured community participation in the matters of the municipality and to create an environment conducive to the engagement of the public in its governance and performing the duties and obligations set out in legislation with regard to public participation.

The contents of this serve to provide mechanisms, processes and procedures to facilitate the achievement of the objectives and goals related to effective public participation. These mechanisms and processes will provide opportunities for the residents of the Magareng Local Municipality to gain direct access to information, participate in consultation and decision making processes and to make meaningful contributions to the planning, design and implementation of IDP and projects that directly or indirectly affect their lives.

### 6.2 Legislative framework

While there are several governments policy documents which require some form of public participation in local government there are a few laws which are central. These are the Constitution, the Systems Act, Structures Act, Municipal Finance Management Act and Municipal Property Rates Act. A brief introduction to aspects of these laws is important before proceeding.

The notion of public participation in all spheres of government is embedded in the Constitution of the Republic of South Africa, 1996.

The objects of local government in terms of Chapter 7, Section 152(1)(a) of the Constitution is to “encourage the involvement of communities and community organisations in the matters of local government.” Chapter 7 further prohibits the passing of by-laws, unless the proposed by-law has been published for public comment in terms of Section 160(4). Section 162 restricts the enforcing of promulgated by-laws, unless they have been published in the official provincial government gazette and made accessible to the public by the municipality concerned. Chapter 10 expounds the basic values and principles that must govern public administration. Section 195(1)(e) stipulates that “[p]eople’s needs must be responded to, and the public must be encouraged to participate in policy-making”, whilst Section 195(1)(g) stipulates that “[t]ransparency must be fostered by providing the public with timely, accessible and accurate information.” The Constitution further demands that enabling legislation be promulgated in order to give effect to the Bill of Rights and the values and principles enshrined in it.

The Structures Act allows as per Chapter 4 for a ward participatory system. The Structures Act sets up clear guidelines for ward committees. Hence section 72 states that the object of a ward committee is to enhance participatory democracy in local government.

An important and key feature of local government is the Ward Committee System. A ward committee consists of the councillor representing the ward who must also chair the committee, and not more than 10 other persons. Ward committees are seen as the vehicle for deepening local democracy and the instrument through which a vibrant and involved citizenry can be established. It is at the local level within wards that all development issues converge. Ward committees therefore have a crucial role to play as an interface between government and communities (not just local government).

The Systems Act defines “the legal nature of a municipality as including the local communities within the municipal area, working in partnerships with the municipality’s political and administrative structures to provide for community participation”.

According to Section 4 in the Systems Act council has the duty:

- To encourage the involvement of the local community
- To consult the community about the level quality, range and impact of municipal services provided by the municipality, either directly or through another service provider.

In Section 5 of the act, members of the community have the right:

- To contribute to the decision-making processes of the municipality and submit written or oral recommendations, representations and complaints to the council.
- To be informed of decisions of the council.
- To regular disclosure of the affairs of the municipality, including its finances.

Perhaps the clearest and most specific requirements for public participation in local governance are outlined in Chapter 4 of said act. Hence Section 16 requires that: -The Municipality must develop a culture of municipal governance that compliments formal representative government with a system of participatory governance and must...

- Encourage and create conditions for the community to participate in the affairs of the municipality, including in the IDP, performance management system, monitoring and review of performance, preparation of the budget, strategic decisions.
- Contribute to building the capacity of the local community to participate in the affairs of the municipality and councillors and staff to foster community participation.

(section 42) through appropriate mechanisms, processes and procedures must involve the local community in the development, implementation and review of the municipality’s performance management system, and in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets of the municipality.

The Municipal Finance Management Act was put in place to bring about transparent and effective financial management in municipalities and municipal public entities. The MFMA outlines ways in which the community can be informed of the financial situation of a municipality.

The Property Rates Act stipulates that the public must participate in decisions relating to municipal property rates.

## **6.3 External Communication**

### **6.3.1 Public Participation vehicle**

Public participation has been defined in various ways by different people, and for a variety of reasons. In this document public participation is defined as an open, accountable process through which individuals and groups within selected communities can exchange views and influence decision-making. It is further defined as a democratic process of engaging people, deciding, planning, and playing an active part in the development and operation of services that affect their lives.

The Magareng Local Municipality involve its community into affairs of the municipality. The mechanism that are used newspaper adverts, website and community consultation meetings. The office of the mayor drives the communication between the municipality and the community.

In giving effect to section 16 of the Systems Act and as set out in this policy, the Magareng Local Municipal ensures that:

The municipality encourages and creates conditions for the local community to participate in the affairs of the municipality, including in –

- The preparation, implementation and review of its IDP;
- The establishment, implementation and review of its performance management system;
- Determination, consideration and adoption of by-laws;
- The monitoring and review of its performance, including the outcome and impact of such performance;
- The preparation of its budget; and strategic decisions relating to the provision of municipal services.

### **6.3.2 Communication Forum**

The Magareng Local Municipality is part of the Frances Baard District Municipality's communication Forum. The main objectives of the forum are to:

- Facilitate communications amongst the three spheres of government;
- Gather and compile relevant information for distribution amongst members;
- To encourage professionalism and collaboration of programmes between spheres of government; and
- To promote training and capacity building through workshops, conferences, study tours, presentations or any other means with regards to official matters

## **6.4 Internal Audit**

The Magareng do not have internal audit in house. Magareng Local Municipality is assisted by the Frances Baard District Municipality with internal audit services. The support the District provides to the municipality is:

- Audit the performance reports
- Audit the MFMA compliances by the municipality
- Audit the IDP Documents

- Audit the Annual Report

## 6.5 Risk Management

Sections 38(1)(a)(i) and 51(1)(a)(i) of the PFMA, which require the Accounting Officers/Authorities to ensure that their institutions have and maintain effective, efficient and transparency systems of risk management. Sections 62(1)(c)(i) and 95(c)(i) of the MFMA, which require the Accounting Officers to ensure that their municipalities have effective, efficient and transparency systems of risk management.

Magareng Local Municipality don't have risk management unit in the organisational structure. The risk management is a shared service with the Frances Baard District Municipality

## 6.6 Audit Committee

The Municipal Finance Management Act 56 of 2003 166(1) requires the establishment of an Audit Committee and as such is highlights the need for the municipalities to in South Africa to move towards more responsible corporate governance. The Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the risk management processes necessary for the achievement of Municipal objectives
- Review the annual financial statements and other performance reporting to be made public; and
- Provide an open avenue of communications among the external auditors, Accounting Officer, the internal auditors and the Municipal council

### **In terms of section 166 of the Municipal Finance Management Act, the Audit Committee shall:**

**a)** Advice the Municipal Council, the political office bearers, the accounting office and the management of the municipality, on matters relating to:

- i. internal financial control and internal audit
- ii. risk management
- iii. accounting policies
- iv. the adequacy, reliability and accuracy of the financial reporting and information
- v. performance management
- vi. effective governance
- vii. compliance with the MFMA and any other applicable legislation
- viii. performance evaluation
- ix. any other issues referred to it by the municipality

**b)** Review the annual financial statements to provide the municipal council and the management with an authoritative and credible view of the financial position of the municipality, its overall level of compliance with MFMA or any other applicable legislation.

**c)** Respond to council on any issues raised by the Auditor General in the audit report

**d)** Carry out such investigations into the financial affairs of the municipality as requested by the municipal council

**e)** Perform such other functions as may be prescribed



The audit committee in Magareng Local Municipality is a shared service with the Frances Baard District Municipality. The audit committee sit four times per financial year.

## 6.7 Council Committees

<b>Municipal Committees</b>	<b>Purpose of the Committee</b>
Budget and Treasury Committee	To deal with all financial matters
Municipal Public Accounts Committee	To exercise oversight over the functionaries of council and to ensure good governance in the municipality
Community Services Committee	To deal with planning and development matters such as Spatial planning, IDP, LED
Health and Safety Committee	Is an oversight that evaluates and monitor the implementation of health and safety compliances in the municipality.
Local Labour Forum	Is an adversarial labour relations committee in the municipality.
Training Committee	Ensure that the organisation has a training policy and that it is in line with the regulations as laid by down by the skills development act. Ensure that the development and implementation of the workplace skills plan is aligned to the strategic mission and vision of the organisation
Technical Services Committee	Is the oversight of the Department of Technical. Recommend policies and business plans to council. Overview, monitors and evaluate the technical issues of the municipality
Corporate Services Committee	The committee is the oversight of Department of Corporate services. It monitors and evaluates the performance of the department. Recommends policies to council.

## 6.7 Performance Management System

As stipulated in Chapter 6 of the Municipal System Act 32 of 2000, every municipality must establish a PMS. The municipality is required:

- Develop a performance management system
- Set targets, monitor and review performance based on indicators to the integrated development plan
- Publish the annual report on performance management for the councillors, staff, the public and other spheres of government
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government
- Conduct an internal audit on performance targets before tabling the report
- Have the annual performance report audit by the Auditor-General
- Involve the community in setting the indicators, indicators and reviewing municipal performance

## 6.8 Good Governance and Public Participation Objectives

Good Governance and Public Participation Objectives			
Objective	Budget	Indicator	Target
Public Participation	R20 000	IDP/Budget Meetings	10 meetings
	R 5000	Public Participation Notices	10 Notices
Back to School Campaign	R5 000	Give learners school uniforms	Give 5 learners uniform in January 2019
Special Programmes	R125 000	Host Mayor's office special programmes	9 special programmes
Training	R75 000	Training for the officials	Number of trainings to be conducted by the mayor's office in 2018/2019 financial year

## Chapter 7 Sector Plans

### Introduction

The purpose of these plans and programmes is to ensure fulfillment of sectoral planning requirements and compliance with sectoral principles, strategies and programmes, thereby providing basis for departmental operational planning and budgeting.

### 7.1 Environmental Management Framework

An EMF is a framework of spatially represented information connected to significant environmental (i.e. ecological, social and economic) parameters, such as ecology, hydrology, infrastructure and services. The main purpose of an EMF is to proactively identify areas of potential conflict between development proposals and critical/sensitive environments (DEAT, 1998). The Environmental Management Framework was prepared in 2010 and is incorporated with the Integrated Environment Plan which was adopted in 2004. The EMF was prepared to identify areas of natural resource importance, ecological sensitivity and other biophysical environments within the District, to reveal where specific land uses may best be practiced and to offer performance standards for maintaining appropriate use of such land.

The Framework intends to proactively identify areas of potential conflict between development proposals and critical/sensitive environments and to bridge the divide between development planning and environmental considerations by integrating environmental opportunities, constraints and critical resource management issues into land use and development endeavours.

### 7.2 Air Quality Management Plan

The Air Quality Management Plan was prepared and adopted in 2011, focus of plan is to ensure the management and operation of ambient monitoring networks (if required), the licensing of listed activities, and the development of emission reduction strategies to ensure air quality. The plan intends to protect the environment and human health through reasonable measures of air pollution control.

### 7.3 SPATIAL PLANNING AND LAND USE MANAGEMENT ACT 16 OF 2013 (SPLUMA).

The purpose of the Act that has been promulgated on 5 August 2013 is to provide a framework for spatial planning and land use management in the Republic, in that, it specifies the relationship between spatial planning and the land use management systems, and other planning that give directives to:

**Principle:** The basis of the system is principles and norms aimed at achieving sustainability, equality, efficiency, fairness and good governance in spatial planning, and land use management. The decisions of planning authorities, whether related to the formulation of plans such as IDPs, or the consideration of land development applications such as rezoning, must all be consistent with these principles and norms. A failure by an authority to affect this enables the Minister to intervene in the decision, either to require that it is reconsidered, or in extreme cases, to make the decision him or herself.

**Land use regulators:** The Act proposes a category of authorities able to take the different types of decisions falling into the realm of spatial planning and land use management: land use regulators. The most prevalent land use regulators will be municipalities. Each province will have a provincial land use tribunal and appeal tribunal that will be land use regulators in specified situations. Nationally, the Minister will be a land use regulator of last resort, only acting in cases where there has been neglect or flouting of the national principles and norms.

**IDP-based local spatial planning:** The Municipal Systems Act requires that part of each municipality's IDP must be a spatial development framework. SPLUMA spells out the minimum elements that must be included in a spatial development framework. It also proposes that the spatial development framework operate as an indicative plan, whereas the detailed administration of land development and land use changes, is dealt with by a land use management scheme, which will actually record the land use and development permissions accruing to a piece of land. The inclusion of the spatial development framework, with a direct legal link to the land use management scheme, is an essential step towards integrated and coordinated planning for sustainable and equitable growth and development.

A uniform set of procedures for land development approvals. Where a proposed development is not permissible in terms of the prevailing land use management scheme, then permission is required from the appropriate land use regulator.

## **7.5 Spatial Development Framework**

The SDF is a development plan that provides the overall long-term development vision of a municipality. SDF should form the basis for developing a five-year IDP. It further provides strategic direction for developing all sector-specific plans that could contribute to the achievement of that vision - mainly with regard to spatial restructuring and integration of settlements to promote social cohesion and economic development. The Municipality has reviewed its Spatial Development Framework and it is adopted by council.

## **7.6 Integrated Zoning Scheme**

The Integrated Zoning Scheme was prepared in 2015 and is available upon request.

## **7.7 Water Conservation Water Demand Management (WC/WDM)**

The Municipality has prepared a WC/WDM strategy. This strategy also form an integral part of the IDP sector plans, The purpose of the WC/WDM is to optimize water use and ensures that the municipality is effectively managing both revenue and non revenue water and also to optimise management in order to maximize efficiency and minimize the associated water losses and financial costs water purchases and to improve the quality of life of inhabitants of the Municipality.

## 7.8 Integrated Waste Management Plan

The reviewed IWMP reflect on previous status quo and objectives set, as well as current conditions, limitation and challenges currently experienced by the local municipality. Furthermore the document reflects on the current legislation, policies and statements that could affect waste management in Magareng Local Municipality. The purpose of the IWMP is to optimize waste management in order to maximize efficiency and minimize the associated environmental impacts of waste generation and financial costs of waste disposal and to improve the quality of life of inhabitants of the Municipality.

## 7.9 Disaster Management Plan

The Disaster Management Plan was prepared in 2012 and is available upon request.

## 7.10 Integrated Transport Plan

The Integrated Transport Plan was prepared and is available upon request.

## 7.11 Water Services Development Plan

The Water Services Act requires of a Water Services Authority to compile Water Services Development Plans. There is presently a draft document that needs to be finalised and adopted by the Council. The Department of Water and Sanitation is assisting the district to continually review the plan

## 7.12 The New Growth Path

The New Growth Path is an important instrument to promote employment and growth in the economy. It identifies five other priority areas as part of the programme to create jobs, through a series of partnerships between the State and the private sector.

**Green economy:** expansions in construction and the production of technologies for solar, wind and biofuels is supported by the draft Energy on Integrated Resource Plan. Clean manufacturing and environmental services are projected to create 300 000 jobs over the next decade.

**Agriculture:** jobs will be created by addressing the high input costs and up scaling processing and export marketing. Support for small holders will include access to key inputs. Government will explore ways to improve working and living conditions for the country's 660 000 farm workers. The growth path also commits the Government to unblocking stalled land transfers, which constrain new investment.

## 7.13 The Medium Term Strategic Framework (2014-2019)

This Medium Term Strategic Framework (MTSF) is Government's strategic plan for the 2014-2019 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local government.

## **7.14 National Development Plan**

The NDP is seen as a guiding document for South Africa. It was released in 2011 and is positioned as a blueprint for tackling South Africa's challenges. In 2012, Cabinet adopted the NDP as a long-term vision and plan for the country. NDP aims: The NDP aims to eliminate poverty and reduce inequality by 2030. According to the NDP executive summary: "South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society."

## **7.15 Provincial Growth and Development Strategy (PGDS)**

The core purpose of the NCPGDS is to enable stakeholders from public, private and parastatal sectors together with labour and civil society to determine a plan for sustainable growth and development of the Northern Cape. The NCPGDS sets the tone for development planning and outlines the strategic planning direction in the province.

## **7.16 Provincial Spatial Development Framework.**

The PSDF is a policy document that promotes a 'developmental state' in accordance with national and provincial legislation and directives. It aligns with the Northern Cape Provincial Growth and Development Strategy which has committed the Northern Cape to 'building a prosperous, sustainable and growing provincial economy which reduces poverty and improves social development'. Northern Cape Spatial Development Framework was completed on 31 July 2012.

## **7.17 The Frances Baard District Municipal Growth and Development Strategy (FBDMGDS)**

The Frances Baard District Growth and Development Strategy was prepared and finalized in 2014 and adopted by Council on 23 March 2015.

### 8.1 Introduction

Performance Management is prescribed by chapter of the Municipal System Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance, planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players”. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a performance management framework that was approved by council in November 2008. The PMS Framework was adopted in 2013. The Municipality adopted the framework again in July 2017.

The Integrated Development Plan enables the achievement of the planning stage of the performance management. Performance management then fulfills the implementation, management, monitoring and evaluation of the Integrated Development Plan. The performance of an organization is integrally linked to that of its staff. It is therefore vitally important for any organization to periodically review its own performance as well as that of its employees.

### 8.2 Performance Management System

The Performance Management System implemented at the municipality is intended to provide a comprehensive step by step planning system that helps the municipality to manage the process of performance planning and measurement effectively. The PM System serves as primary mechanism to monitor, review and improve the implementation of the municipality IDP and eventually the budget. The performance policy framework was approved by Council which provided for performance implementation monitoring and evaluation at organizational and individual levels.

### 8.3 Organisational Performance

The organization performance of the municipality is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organizational level and through the service delivery budget implementation plan (SDBIP) at directorate and departmental levels. The Top Layer SDBIP set our consolidated service delivery targets and provides an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities.

#### ➤ Organizational Performance

The departmental SDBIP captures the performance of each defined department which reflects on the strategic priorities of the municipality. The SDBIP provides the detail of each



outcome for which the senior management is responsible for, in other words, a comprehensive picture of the performance of each directorate/sub-directorate.

Individual Performance for Section 57 managers

- Each Head of Department has to sign Performance Agreements.

## **8.4 Individual Performance**

Section 38 (a) of the Systems Act requires Municipalities to set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the community development priorities and objectives set out in its Integrated Development Plan. Section 9 (1) of the Regulations of this Act maintains indicators, output indicators and outcome indicators in respect of each of the development priorities and objectives.

Every year, as required by Section 12 (1) of the Regulations to the Systems Act, the Municipality also set performance targets for each of the key performance indicators. The IDP process and the performance management process are therefore seamlessly integrated.

## **8.5 Performance Reporting**

Performance is reported on a regular basis and it includes the evaluation of performance, the identification of poor performance and corrective actions to improve performance.

### **Quarterly Reports**

Reports on the performance in terms of the Top Level SDBIP are generated from the system and submitted to Council. This report is published on the municipal website on a quarterly basis.

### **Mid-Year Assessment**

The performance of the first six months of the financial year should be assessed and reported on in terms of Section 72 of the MFMA. This assessment must include the measurement of performance, the identification of corrective actions and recommendations for the adjustment of KPI's, if necessary.

The format of the report must comply with the section 72 requirements. This report is submitted to Council for approval before 25 January of each year and published on the municipal website.

### **Annual Assessment**

The performance of the financial year should be assessed at year-end in terms of section 46 of the MSA. The performance in terms of the annual targets set will be documented in the Annual Performance Report and the report will be finalized and submitted to the Office of the Auditor General by 30 August annually. This report will be included in the Annual Report of



the municipality. The Annual Report is submitted to Council for approval before 25 January of each year and published for comment on the municipal website.

## 8.6 Magareng Local Municipality process of managing performance

The five years process of managing the performance of the Magareng Local Municipality will include performance planning, measurement, analysis and reporting, performance reviews and performance auditing.

## 8.7 Co-ordination

Co-ordination of the implementation of the planning, measurement, reporting and review process will require a multi-disciplinary team, representative of the organisation and its key processes. The responsibility for performance management and integrated Development Planning should be located in one unit or section to ensure close alignment and co-ordination.

## 8.8 Roles and Responsibilities of Stakeholders

The following table sets out the roles and responsibilities of various role players in performance planning, measurement and analysis and performance reporting and review.

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	<b>COUNCIL</b>	
Mayor	Facilitate the development of a long term vision regarding IDP and PMS	Promote public awareness and satisfaction
Portfolio Committee	<ul style="list-style-type: none"> <li>➤ Manage the implementation of the strategy.</li> <li>➤ Review and monitor the implementation of the IDP and the PMS</li> </ul>	Facilitates the process of the benchmarking and collaboration with other municipalities

Council	<ul style="list-style-type: none"> <li>➤ Adopt the PMS policy and approve the IDP</li> <li>➤ Monitor Performance</li> </ul>	Provide a mechanism for the monitoring implementation and review of PMS and IDP
	<b>OFFICIALS</b>	
Municipal Manager	<ul style="list-style-type: none"> <li>➤ Ensure the implementation of the IDP and the PMS</li> <li>➤ Communicate with the executive Mayor and Management team</li> </ul>	Clarifies goals, targets and work expectations of the executive management team, other senior managers, line managers and individual employees
Management Team	Manage Departmental Business/ operational plans and performance	Facilitates the identification of training and development needs at different levels in the municipality.
Line Managers	Implement the departmental business operational plans and monitor the individual performance plan	Provides an objective basis upon which to the reward good performance correcting under-performance
Individual Employees	Executive individual performance plans	Mechanism for early warning indicators to the check and ensure compliance
Internal Audit	Assess the functionality and	<ul style="list-style-type: none"> <li>➤ Enhance the credibility</li> </ul>

	legal compliance of the PMS	of the PMS and IDP ➤ Enhances the status and role of internal Audit
	<b>COMMUNITY/PUBLIC</b>	
Representative forum / Category B Municipality	<ul style="list-style-type: none"> <li>➤ Inform the identification of community priorities</li> <li>➤ Public involvement service delivery of the municipality</li> </ul>	Provide a platform for the public/ communities to inform and communicates with council.
	<b>OTHER PARTNERS</b>	
Auditors General	Ensure legal compliance	Provide warning signals of under-performance, which can provide pro-active and timely intervention
Performance audit committee	Independent audit on legal compliance	Provide warning signals of under-performance
National Treasury	<ul style="list-style-type: none"> <li>➤ Prescribed relevant legislation</li> </ul>	Provides information and advise

	<ul style="list-style-type: none"> <li>➤ Provides PMS advise</li> <li>➤ Evaluate PMS</li> </ul>	
DPLG	Support the implementation of PMS	Provides support to municipality
SALGA	<ul style="list-style-type: none"> <li>➤ Facilitate compliance to the PMS requirements</li> <li>➤ Provide advice</li> <li>➤ Support municipalities</li> </ul>	Support municipalities in support in the implementation of PMS
	➤	

## 8.9 Performance Planning

Performance is to be managed in terms of the integrated Development plan and the IDP process constitutes the process of the planning for performance. For this reason indicators and targets were developed for all the priorities and objectives as set out in the IDP.

The format for the corporate and individual score attached Appendix 4.

## 8.10 Measurement and analysis

For each indicator score card require that a responsible official, usually the respective line managers, be designated. While this official will not necessarily be accountable for performance on this indicator, they will be responsible for conducting measurement of that indicator, analysing and reporting first to the Municipal Manager on these for reviews.

Analyse requires that line managers compare current performance with targets past performance and possibly the performance of other municipalities, where data is available to determine whether or not performance is poor. They should also analyse the reasons for performance levels and suggest corrective actions where necessary. Municipal-wide outcome indicators will be co-ordinated centrally by the PMS Unit.

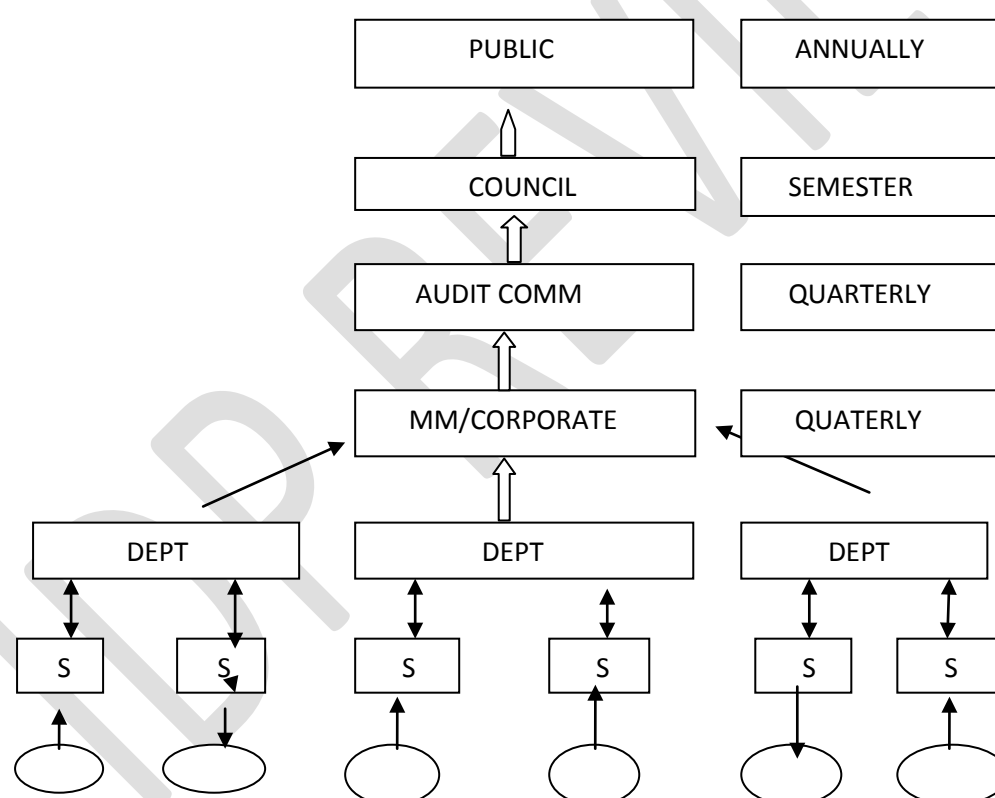
Prior to reviews taking place by management team and the Council, the corporate performance reporting will need to be tracked and co-ordinated by the IDP/PMS Managers. Therefore accumulative quarterly reports will be submitted to the Audit Committee by the IDP/PMS Manager.

It will also be useful to provide an overall analysis of municipal performance with respect to the corporate score cards and eventually also the departmental score cards to identify trends in performance over time and over all departments. The Municipal Manager will be responsible for this.

### 8.11 Performance Reporting & Reviews

The figure aims to provide a picture of the annual process of reporting and reviews.

**Figure 1: The annual process of reporting and reviews.**



### 8.12 Departmental Reviews

It is intended that departments will review the performance of their individual staff and sections at least monthly, using their departmental score cards as references. This will immediately alert managers of any emerging failures to service delivery so that they could intervene if necessary. It is important that Departments use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved.

Minutes/Reports of these reviews should be forwarded to the Municipal Manager. Changes in indicators and targets may be proposed at this meeting but can only be approved by the Council in consultation with the Municipal Manager.

### **8.13 Management Team Review**

Departments will then need to report their performance in the service score cards format to the Municipal Manager. Additional indicators that occur in the corporate score cards will also be reviewed. The formulation of the corporate scorecards and the process of review will be co-ordinated by the performance management team.

The executive management team will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the management team can endorse these for approval by the Council.

### **8.14 Portfolio Committee Reviews**

Each portfolio committee will be required to review the performance of their perspective service against their departmental score card. The portfolio committee should appraise the performance of the service against committed targets. Where targets are not being met, portfolio committees should ensure that the reasons for poor performance are satisfactory and the sufficient, and the corrective strategies proposed are sufficient to address the reasons for poor performance. Changes in indicators and targets that do not appear in the corporate score cards may be proposed to and can only be approved by the Municipal Manager. Changes in indicators and targets that fall within the corporate score card will need to be approved by the council.

### **8.15 Council Reviews**

It is obligatory for the Management team in terms of the Act to report to Council on municipal performance and the diagram for reporting and reviewing indicates that the Management Team will report biannually to Council in the required format. This reporting will be done by using the corporate score card in a biannual performance report format as per the Municipal Systems Act. The annual performance report will form part of the Magareng Municipality's annual report as per section 121 of the Municipal Finance Management Act.

### **8.16 Public Review**

The Municipal Systems Act as well as the Municipal Finance Management Act requires the public to be given the opportunity to review municipal performance. Section 127 of the MFMA requires that the accounting officer (Municipal Manager) must immediately after the annual report is submitted to Council make the report public and invite the local community to submit comments in connection with the annual report.

It is proposed that in addition to the annual report mentioned above and subject to the availability of funding, a user-friendly citizens' report should be produced for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report and corporate score card for public consumption. It is also proposed that a public campaign be annually embarked on to involve citizens in the review of municipal performance over and above the requirements of the MFMA. Such a campaign could involve the following methodologies:

- Various forms of media including radio, newspapers and billboards can be used to convey the citizens' report. The public should be invited to submit comment via telephone, fax, email and possibly also public hearings to be held in a variety of locations.
- The public reviews should be concluded by a formal review of the annual report by the IDP Representative Forum of Magareng.

### **8.17 Auditing and Quality Control**

All auditing should comply with section 166 of the Municipal Finance Management Act and Regulation 14 of the Municipal Planning and Performance Management Regulations (2001)

### **8.18 Continuous Quality Control Co-ordination**

The Municipal Manager will be required on an ongoing basis to co-ordinate and ensure good quality of reporting and reviews. It will be his/her role to ensure conformity to reporting formats and check the reliability of reported information, where possible.

### **8.20 Performance Investigations**

The Audit Committee should be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. Performance investigations should assess:

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the internal audit function may be used to conduct these investigations, Council may also make use of external service providers, preferably academic institutions, who are experts in the area to be audited. However, when this option is pursued clear terms of reference will need to be adopted by the Mayoral Committee for each such investigation.

### **8.21 Internal Audit**

Section 165 of the MFMA requires that each municipality must have an internal audit unit; however such function may be outsourced.

The municipality's internal audit function will need to be continuously involved in auditing the performance reports of services and the corporate score cards. As required by the regulations, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager and Audit Committee. If required, the capacity of the internal audit unit will need to be improved beyond the auditing of financial information.

The role of the Audit Committee will be to assess:

- The functionality of the municipality's performance management system
- The adherence of the system to the Municipal Systems Act
- The extent to which performance measurements are reliable

### **8.22 Audit Committee**

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a

member of an audit committee. Council shall also appoint a chairperson who is not an employee. Legislation provides municipalities with the option of establishing a separate performance audit committee. However, the policy proposes only one audit committee regarding the financial and performance management matters of the municipality.

Legislation further requires the performance audit committee to:

- Review the quarterly reports submitted to it by the internal audit unit
- Review the municipality's performance management system and make recommendations in this regard to the municipal council.
- Assess whether the performance indicators are sufficient
- At least twice during a financial year submit an audit report to the municipal council

In order to fulfil their function a Performance Audit Committee may, according to the MFMA and the Regulations,

- Communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned
- Access any municipal records containing information that is needed to perform its duties or exercise its powers
- Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee and
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

### **8.23 Evaluation and Improvement of PM-System**

The Municipal Systems Act requires the municipality to annually evaluate its performance management system. Therefore, after every full cycle of the annual review is complete, the Municipal Manager will initiate an evaluation report annually, taking into account the input provided by departments. This report will then be discussed by the Management Team and finally submitted to Council for discussion and approval. The evaluation should assess:

- The adherence of the performance management system to the Municipal Systems Act the MFMA and the PMS Regulations
- The fulfillment of the objectives for a performance management system captured in section 3 of this policy document
- The adherence of the performance management system to the objectives and principles captured in section 4 of this policy document
- Opportunities for improvement and the adoption of an annual action plan.

It must once again be emphasized that there are no definitive solutions to managing municipal performance. The process of implementing a performance management system must be seen as a learning process, where we are continuously improving the way the



system works to fulfill the objectives of the system and to address the emerging challenges from a constantly changing environment.

## **8.24 The Reward System**

Municipalities are legally obliged to implement a remuneration and reward policy that sets out the link between performance and rewards for the Municipal Manager and the first level managers (Section 56 Employees) reporting directly to the Municipal Manager. Section 57 of the Municipal Systems Act (2002) and Section 32 of the Municipal Performance Regulations (01 August 2006) set the guidelines to follow in this regard. However, it is also recommended for a municipality to develop and implement a reward system for all its employees which is linked to the individual performance of every individual employee to encourage higher standards of performance in the municipality.

In terms of the effective implementation of a reward system two categories have been identified which depends upon the manner in which an employee is employed.

**Appendix 1** deals with the reward system regarding the two categories of employees.

## **8.25 Implementing Performance Management**

Integrated Development Planning (IDP) and Performance Management are seamlessly integrated to the extent that the IDP process fulfils the planning stage of performance management and performance management fulfils the implementation management, monitoring and evaluation of the Integrated Development Plan (IDP). The sole performance of the municipality links inseparable to that of its staff component. If employees do not perform the municipality will fail. The time framework for implementation of the PMS in the municipality is to ensure that the IDP and the PMS are managed effectively and sufficiently to reach the goals and the objectives of the municipality.

## **8.26 Disputes**

**8.26.1** Where a difference of opinion regarding an employee's performance in terms of his/her scores may arise, the parties hereto shall confer with the objective of resolving such difference of opinion. An unresolved difference of opinion shall be deemed to be cause for a dispute between the parties hereto.

**8.26.2** In the event that the employee is dissatisfied with any decision or action taken by the supervisor or the municipality in terms of his/her scores of performance, or where a dispute arises regarding the employee's achievement of the performance objectives and targets established in terms of the employee's performance plan, the employee may meet with the supervisor with the objective of resolving such issue.

**8.26.3** The employee may schedule such meeting by giving proper written notice to the supervisor. The supervisor is required to hold such meeting within 3 (three) working days (or such shorter time as may reasonably be required by the employee) of submission of such request. The employee may require the supervisor to have the proceedings of such meeting recorded and to provide written minutes thereof within 7 (seven) working days of such meeting.

**8.26.4** In the event that an employee is not satisfied with the outcome of that meeting, the employee may make written representations to the HOD of the department and in the case

of a manager reporting directly to the HOD, to the Municipal Manager as the appeal authority. The HOD or the Municipal Manager may determine a dispute resolution process which shall allow the employee adequate opportunity to put his case. The HOD's or the Municipal Manager's decision shall be recorded in writing and be presented to the employee within 7 (seven) working days of the conclusion of such hearing. The HOD's or the Municipal Manager's decision, with regard to the dispute resolution process contemplated herein, is final. Should the employee not accept the HOD's or the Municipal Manager's decision, the matter then becomes a matter for arbitration in terms of the employee's contract of employment.

## **Appendix**

In order for the PMS policy to be effectively applicable in the municipality the following appendices are crucial to the completeness of the policy and form an integral part of the municipality's PMS policy.

### **8.26.5 The Reward System/Performance Bonuses**

### **8.26.6 Implementation Framework Plan**

### **8.26.7 Individual Performance Manual**

### **8.26.8 PMS Regulations – No. R. 805 – 01 August 2006**

### **8.26.9 Score Card Formats (examples)**

## **APPENDIX 1**

### **PMS REWARD SYSTEM FOR MAGARENG LOCAL MUNICIPALITY**

### **8.27 The Reward System/ Performance Bonuses**

Municipalities are legally obliged to have remuneration and reward policy that sets out the link between performance and rewards for the Municipal Manager and the first level managers reporting directly to the Municipal Manager (Section 56 Employees). Section 57 of the Municipal Systems Act (2002) and the PMS Regulations of 01 August 2006 set the guidelines to follow in this regard. However, it is also recommended for a municipality to develop and implement a reward system for all its employees which is linked to the individual performance of every individual employee to encourage higher standards of performance in the municipality. Two categories of municipal employees have been identified based on the manner in which an employee is employed.

### **8.28 Performance Bonus Scheme for first level Section 57 Managers**

Section 57 Employees has been defined as employees employed under the provisions of Section 57 of the Municipal Systems Act of 2002 on a performance based fixed term employment contract. In Magareng Local Municipality, the Municipal Manager and the Heads of Departments reporting directly to the Municipal Manager are defined under this category. These employees will be measured and evaluated in terms of the provisions of Section 26 and 27 of the PMS Regulations of 01 August 2006. Section 32 of the Regulations will be applicable in determining performance bonuses.

- **Rating Performance**

Performance is measured against the performance indicators set nationally in the PMS Regulations of August 2006. These indicators must be unpacked and taken up in the performance plans of the other Section 56 managers (HOD's) reporting directly to the municipal manager.

Bonuses will only be paid out after the expiring of the particular financial year and once the signed score cards have been internally audited and approved by Council. Employees starting during the financial year will only be eligible on a pro-rata basis from the date of employment.

Performance scores are added together to give an overall performance score and the amount of the bonus is determined by the total performance score, according to the performance bonus scheme base set out in Section 32 of the PMS Regulations.

The following table indicates the overall rating, calculated by using the assessment-rating calculator provided for in terms of Section 32 of the PMS Regulations:

Staff Level	Final Score	Bonus Amount
<b>Municipal Manager and other first level Section 57 Managers.</b>	<b>130 - 133</b>	<b>5% of Annual Package</b>
	<b>134 -137</b>	<b>6% of Annual Package</b>
	<b>138 -141</b>	<b>7% of Annual Package</b>
	<b>142 – 145</b>	<b>8% of Annual Package</b>
	<b>146 -149</b>	<b>9% of Annual Package</b>
	<b>150 -153</b>	<b>10% of Annual Package</b>
	<b>153 – 157</b>	<b>11% of Annual Package</b>
	<b>158 -161</b>	<b>12%of Annual Package</b>

	162 -165	<b>13%of Annual Package</b>
	<b>166 and above</b>	<b>14%of Annual Package</b>

- Performance scores below 60 will be unacceptable and intervention shall be brought into practice in terms of Section 32 (3) of the PMS Regulations.
- Bonuses will only be paid if it was fully budgeted for and if sufficient funding is available.

### **8.29 Performance Awards for Permanent and Other Contract Employees**

Permanent employees are defined for the purpose of performance management as employees who are permanently employed by Council and thus covered by the Basic Conditions of Service. Employees employed by contract, other than the Municipal Manager and the first level Managers (HOD's), will be treated under the same criteria and conditions for performance management as the defined permanent employees of the Municipality. The new PMS Regulations of 06 August 2006 does not make provision for rewards or bonuses for this category of employees. Council therefore may consider the implementation of some non-financial rewards to individual staff from time to time.

- **Rating Performance**

Individual performance is measured against the performance indicators set out in the Performance Plan of each individual employee. These indicators will be reviewed annually, but may be altered or amended in the course of the financial year only with the consent of the responsible Head of the Department and the Municipal Manager, provided that it will still be within the parameters of the SDBIP of the particular department. A performance score of an employee is calculated according to set Key Performance Indicators (KPI's) on a quarterly basis.

## **APPENDIX 2**

### **8.30 Time Framework for Implementation of the PMS**

The practical implementation of the Performance Management System will be covered by the following steps:

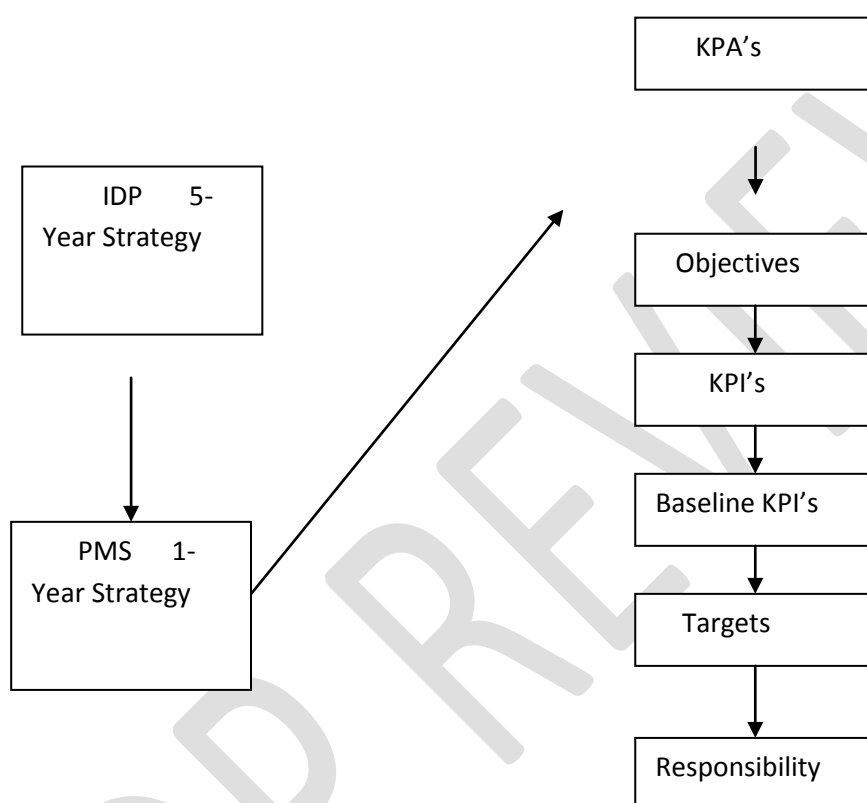
- Planning for Performance
- Monitoring Performance
- Measuring Performance
- Reviewing Performance
- Reporting on Performance
- Auditing and Quality Control
- Improving Performance

**The diagram below indicates the timeframes for the implementation of the PMS in the municipality:**

Phase	Organisational Activity	Individual Activity	Time-Frame	Responsibility
Planning	Development of the SDBIP		14 June	IDP/PMS Man. MM and Senior Managers.
		Performance Agreements for Section 57 Managers.	14 June	IDP/PMS Man. Ex M, MM and Senior Managers.
		Performance Plans for all staff.	28 July	HOD's/ Section Heads/ Supervisors.
Monitor, Measure and Review	Monthly Monitoring.		Monthly	All Managers and Supervisors.
	Quarterly Reviews	Completion of questionnaires and score cards.  Annual Performance	<u>1<sup>st</sup> Week</u> October January April	All staff.

		Appraisal.  Reward and Recognition.	14 July  31 August	All staff.  Ex M, MM and Senior Managers.
Phase	<b>Organisational Activity</b>	<b>Individual Activity</b>	<b>Time-Frame</b>	Responsibility
Reporting	Quarterly Reports.  Annual Report.	Annual Staff Performance Report.	1 <sup>st</sup> Week: October January April  31 July	HOD's, Managers and Supervisors.  Ex. M, MM, PMS Manager.
Reporting	Quarterly Reports.  Annual Report.	Annual Staff Performance Report.	1 <sup>st</sup> Week: October January April  31 July	HOD's, Managers and Supervisors.  Ex. M, MM, PMS Manager.

The diagram below illustrates the link in planning between the IDP and the PMS:



The diagram above also indicates the flow of the SDBIP for the Financial Year.

### 8.31 Individual Performance Appraisal Guide-Lines

#### INDIVIDUAL PERFORMANCE APPRAISAL GUIDE-LINES

#### 8.32 HOW TO USE THESE GUIDE-LINES

Managers and supervisors are encouraged to study these guidelines carefully and in total in the first instance. Then revert to the concepts that are perhaps more difficult to grasp or that may be new to you. Study these in depth and if need be, discuss them with your fellow supervisors or your Human Resources Manager. Some of these guidelines may not apply to

you personally. Many of them may be "old-hat" to you, but we hope every supervisor will find something helpful in it. Skip those suggestions with which you disagree or which are not compatible with your own style of management or personality make-up. Be aware, however, that a watered down approach may not achieve the objectives set out below.

Before application, please ensure that you understand the concepts well. Do a "dummy run" or two with a fellow supervisor or even a tape recorder, for practice, and when you feel confident, apply your newly acquired knowledge and skills.

### ➤ **OBJECTIVES OF PERFORMANCE APPRAISALS AND PERFORMANCE APPRAISAL INTERVIEWS**

The main objective of the performance appraisal and performance appraisal interviewing system is to provide management with a sound basis for an objective performance evaluation of employees. It should also assist the employee, through discussion, to improve on his/her performance in his/her current job towards the overall improvement of the department or the municipality at large.

The main objective may be subdivided into the following subsidiary objectives:

#### ➤ **Objectives of the Performance Appraisal**

- To provide supervisors with a job orientated performance appraisal system, enabling them objectively to appraise individual job performances;
- To provide supervisors with a guideline for conducting the performance appraisal interview
- To provide aid towards more readily identifying promotable people on a group basis;
- To identify training and development needs which require to be met on either an individual or collective basis;
- To serve as an input to salary/ bonus/ awarding recommendations.

#### ➤ **Objectives of the Performance Appraisal Interview**

- To ensure that the employee knows where he/she stands;
- To assist supervisors in helping their subordinates to improve their job performance;
- To identify development needs of individuals;
- To give people the opportunity to discuss their performance and objectives and their future aspirations with their direct superiors, thus creating a better understanding between supervisor and subordinate;
- To serve as an outlet for cropped-up dissatisfactions and frustrations;
- To give the supervisor an opportunity to discuss his/her own performance with his/her subordinates and to assess how he/she can improve his/her managing of them.



### 8.33 THE PERFORMANCE APPRAISAL

The Performance Plan and Score Card Appraisal have been designed to give as much flexibility and to allow for as much original thinking as possible - without losing its effectiveness. The design allows for a job-orientated approach to performance appraisals and helps the supervisor:

- To focus on the most important areas of performance in a specific job, i.e. it identifies the areas where effective performance is necessary for the job objectives to be achieved. This refers to the "**Weighting**" column in the Performance Plan and Score Card. The supervisor and the employee should firstly agree on the weighting of each of the attributes (KPA's and KPI's) that are used for measurement, as it applies to the employee's job.

The weight should be allocated on the following basis:

The total score for the KPI's in a Performance Plan of an employee cannot exceed 100%. Once the weightings have been determined and KPI'S have been made "SMART", the performance plan and score card may be completed and signed by both the supervisor and the particular staff member.

- To be as objective as is humanly possible in evaluating the performance of subordinates and to identify areas of strengths, weaknesses, training needs and promotability.
- To give factual background data upon which a supervisor can base his/her performance appraisal interview.

### 8.34 Completing the "Questions" on the KPI's

Questions on the KPI's have been developed as part of the score card system in order to simplify the measurement of staff. More than one question may apply to the same KPI. Once the KPI's have been determined and the relevant questions have been formulated it cannot be changed without the consent of the supervisor, the staff member and the PMS Practitioner

Responsible for the Individual PMS.

### Rating Scale

Appraisal of performance should concentrate on how well the individual has met the results you expected him/her to achieve in the execution of his/her job. In considering the level of achievement, you should understand the rating scale definitions clearly and apply them consistently throughout your rating. In awarding a points rating to a particular attribute, consider each point of the rating scale and its definitions carefully. Always think of the results expected from the job as the standard then compare the individual's performance against this standard. In appraising performance, do not think compassionately. Also give consideration to your own standards of evaluation. Ask yourself the questions:

"Are my standards realistic, or am I rating too leniently or too harshly?"

"Do I apply the same standard consistently?"

"Do I think of each attribute separately and in isolation, or do I tend towards an undesirable "halo effect?"

### **Weighting:**

Ideally, the weighting should be reviewed every time the performance appraisal is discussed. In other words, a forward projection should be made of the areas for the ensuing year/ six or three months. The employee who is being apprised will then be fully aware of the key performance areas for his/her job and on what he/she is going to be appraised.

You will find it helpful first to review the results that you expect to be achieved in each key performance area or attribute and then measure the actual achievements in KPI's against these results.

- Excellently completed
- Well completed
- Satisfactorily completed
- Partially completed
- Incompletely or poorly completed.

By focusing your appraisal on the elements of job performance, you will avoid controversial things that normally result from appraising personality traits which are hard to define, let alone measure. By noting performance against agreed standards or expectations, you will be identifying points for discussion when you do the appraisal interview. Staff should keep reliable records to support their answers on the set questions mentioned earlier. Managers and supervisors must verify the given information before the scores be entered into the score cards.

### **8.35 Training and Development Needs**

When considering training and development needs, you should, in the first instance, turn your mind to specific training the individual needs to improve his/her performance in his/her present job. Secondly, when you consider promotion or increased responsibility, you should think of what training and development is needed to accomplish this. It will help if the training needs are spelt out in the specific terms:

"Training in accounting and finance for non-financial managers" as opposed to management training".

This information must be given quarterly at the applicable section provided for it on the score card system.

### ➤ **Promotion**

In further consideration of promotions of the individual, a broader view needs to be taken, i.e. consideration should not only be given to what promotional opportunities are immediately available in your sector, but also on a broader municipal career basis. Just as you would not like to think that your supervisor is standing in your way for promotion outside of your sector, so you should not stand in the way of your subordinates who may be promotable outside of your department. You should also turn your mind to the individual's ability to perform jobs in other career fields or disciplines as part of his/her overall development.

### ➤ **Comments by Rater**

A very brief summary of your views of the employee and his/her performance should be kept for later reference purposes.

Compassionate conditions that may affect the employee's performance, for example: ill health should also be mentioned and kept on record.

### ➤ **Timing of Performance Appraisals**

Ideally, performance appraisals should be done quarterly at least. The performance appraisal interview should be done very soon thereafter. In order not directly to link performance and salary increases in people's minds, it is necessary to keep the performance appraisal discussion and the salary increase advice separately. Performance, although a major factor, can under certain circumstances, only be one of the factors influencing salary increases.

### 8.36 Performance Management System Objectives

Performance Management System Objectives			
Objective	Budget	Indicator	Target
<b>Submission of Performance Reports</b>	Operational	Submit 4 performance reports	4 Quarterly Reports
<b>Annual Performance Report</b>	Operational	Submission of Annual Performance Reports	Submit by 30 June 2019
<b>Draft SDBIP</b>	Operational	Submit draft SDBIP	Submit SDBIP before the 28 June 2019
<b>MFMA Section 72, Mid-Term Performance Review</b>	Operational	Assessment and review performance	Assess and review performance before the 25 January 2019
<b>Annual Report</b>	Operational	Table Annual Report 2017/2018	1 report by 31 January 2019
<b>Audit Committee</b>	Operational	Number of Audit Committees	4 meetings by the end of 2018/2019

## CONTACT DETAILS

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**MAYOR (SPEAKER) : CLLR. B.Mhaleni**

**ACTING MUNICIPAL MANAGER : Mrs M.Monyamane-Masuku**

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IDP REVIEW